



DE 10-292

Exhibit No. #1

Witness: George Gantz

DO NOT REMOVE FROM FILE

October 29, 2010

BY OVERNIGHT MAIL and E-MAIL

Ms. Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: DE 10-____ Unitil Energy Systems, Inc

Tariff Filing: Step Adjustment for Distributed Energy Resources
Investment in Exeter SAU 16 project

Dear Director Howland:

Enclosed for filing on behalf of Unitil Energy Systems, Inc. ("UES" or "Company") are an original and six (6) copies of the following tariffs¹ proposed to be applied on service rendered on and after January 1, 2011.

Third Revised Page 48, Domestic Delivery Service, Schedule D
Second Revised Page 51, Third Revised Pages 52-53, General Delivery Service, Schedule G
Second Revised Page 59, Outdoor Lighting Service, Schedule OL
Supplement No. 2, Third Revised Pages 2-3, Summary of Delivery Service Rates
Supplement No. 2, Fourth Revised Page 4, Summary of Low-Income Electric Assistance Program Discounts

Pursuant to RSA 374-G and Commission Order No. 25,111 in DE 09-137 dated June 11, 2010, UES is authorized to petition the Commission on an annual basis for a step adjustment to its base distribution rates to collect the actual costs associated with authorized Distributed Energy Resources ("DER") projects. In that same Order, the Commission found that UES's investment in the Exeter SAU 16 project was in the public interest and was approved. With this filing, UES proposes implementation of a step adjustment to recover the costs of this project. Please note that UES has a pending rate case (Docket DE 10-055) which is expected to be concluded in early 2011. The distribution rates proposed in that proceeding do not include the SAU 16 project costs. Accordingly, UES's proposed DER Exeter SAU 16 project step adjustment will need to be added to the final distribution rates approved in DE 10-055.

Gary Epler
Chief Regulatory Attorney

6 Liberty Lane West
Hampton, NH 03842-1720

Phone: 603-773-6440
Fax: 603-773-6640
Email: epler@unitil.com

¹ Tariff pages 48, 51-53, and 59 do not include the temporary rate surcharge of \$0.00438 per kWh since that charge is contained in Supplement No. 2, Page 1. Therefore the rates shown on these tariff pages do not match the rates shown on Supplement No. 2, pages 2 and 3.

In support of these proposed tariff changes and as described below, the filing includes schedules showing the calculation of the step adjustment for distribution rates, derivation of the revenue requirement, and bill impacts associated with this rate change. UES is prepared to provide any additional details as may be required.

The Customer Agreement for the project has also been included with this filing and that Agreement is fully consistent with the provisions of the Commission approval. In summary, the agreement provides that UES will retain for the benefit of its customers all of the Renewable Energy Certificates² from the Solar PV operations and all of the capacity value associated with the generators. In addition, the microturbine is dispatchable by the Company.

The calculation of the proposed step adjustment, effective January 1, 2011, is provided on Attachment 1. The step adjustment is based on equal percentage rate impacts for all customer classes, which is the same methodology that was used for UES's step adjustments in DE 05-178, UES's last rate case. On Page 2 of 2, in column 4, the step adjustment percentage to be applied to all customer classes is calculated by dividing the final step adjustment revenue amount of \$76,181 by the expected book revenue of \$39,626,528. The calculation of expected book revenue is based on the test year billing determinants in DE 05-178. This results in a step adjustment percentage of 0.19% to distribution revenue. This percentage is then applied to each class' distribution revenue to compute the amount of step adjustment revenue for that class (column 5). In column 6, rates are designed to recover the step adjustment revenue amount. Similar to the rate design for the step adjustments approved in DE 05-178, UES applied the increase to its energy and demand based charges. Customer charges were not changed so that customer charge levels previously approved were not disturbed. Column 7 is a revenue proof showing that the rate adjustments generate the correct amount. Column 8 sums the distribution revenue and the step adjustment revenue amount. Column 9 provides the final distribution rates, including the step adjustment.

Attachment 2, which consists of 5 pages, provides support for the calculation of the step adjustment revenue amount. The presentation is based upon the methodology previously utilized in DE 05-178 with assumptions and data consistent with the Commission Order in DE 09-137. Page 1 of Attachment 2 summarizes the revenue requirement calculation. The calculation begins with the project investment, the details of which are shown on Page 2, and the investment is then multiplied by the pre-tax weighted average cost of capital, the derivation of which is shown on Page 3. The revenue requirement also includes a provision for the amortization of the investment, also derived on

² In its October 28, 2010 Secretarial Letter, the Commission certified that the Exeter High School facility is a Class II renewable energy source effective August 31, 2010 and is eligible to be issued New Hampshire Class II renewable energy certificates.

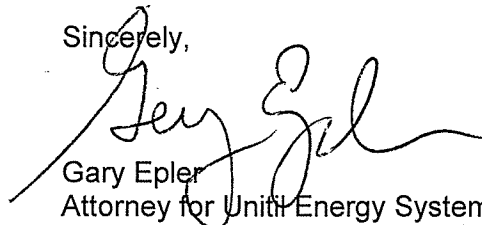
Debra A. Howland, Executive Director
DE 10-____ UES DER Step Adjustment Tariff
October 29, 2010
Page 3 of 3

Page 2, the recovery of the start-up consulting costs as shown on Page 4 over a five year amortization period, and the recovery of lost based revenues as calculated on Page 5.

Attachment 3 provides bill impacts associated with this rate change. As shown on page 1, a residential customer using 600 kWh will see an increase of \$0.04 per month or 0.05% of the total bill. Bill impacts for other rate classes are similar.

Please do not hesitate to contact me if you have any questions concerning this filing.

Sincerely,



Gary Epler
Attorney for Unitil Energy Systems, Inc.

Enclosures

cc: Suzanne Amidon, Staff Attorney, NHPUC
Meredith Hatfield, Consumer Advocate (2 copies)
Gerald Eaton, Esq., PSNH

SUMMARY OF DELIVERY SERVICE RATES (Includes Electricity Consumption Tax)

The effective rates listed below include an Electricity Consumption Tax, assessed in accordance with NH Statute RSA Chapter 83-E. This tax, collected on behalf of the State of NH by each electric utility, is based on kWh consumed. Each bill rendered for electric delivery service shall be calculated through the application of the effective rates as listed below.

Class		Distribution Charge* (1)	External Delivery Charge**	Stranded Cost Charge**	System Benefits Charge*** (2)	Total Delivery Charges	Electricity Consumption Tax	Effective Delivery Rates (Incl. Electricity Consumption Tax)
D	Customer Charge	\$8.40				\$8.40		\$8.40
	First 250 kWh	\$0.02255	\$0.01688	\$0.00138	\$0.00330	\$0.04411	\$0.00055	\$0.04466
	Excess 250 kWh	\$0.02755	\$0.01688	\$0.00138	\$0.00330	\$0.04911	\$0.00055	\$0.04966
G2	Customer Charge	\$11.00				\$11.00		\$11.00
	All kW	\$7.05		\$0.24		\$7.29		\$7.29
	All kWh	\$0.00438	\$0.01688	\$0.00046	\$0.00330	\$0.02502	\$0.00055	\$0.02557
G2 - kWh meter	Customer Charge	\$8.40				\$8.40		\$8.40
	All kWh	\$0.03433	\$0.01688	\$0.00138	\$0.00330	\$0.05589	\$0.00055	\$0.05644
G2 - Quick Recovery Water Heat and/or Space Heat	Customer Charge	\$3.75				\$3.75		\$3.75
	All kWh	\$0.02531	\$0.01688	\$0.00138	\$0.00330	\$0.04687	\$0.00055	\$0.04742
G1	Customer Charge	\$108.86	Secondary Voltage			\$108.86		\$108.86
	Customer Charge	\$64.51	Primary Voltage			\$64.51		\$64.51
	All kVA	\$5.70		\$0.34		\$6.04		\$6.04
	All kWh	\$0.00438	\$0.01688	\$0.00041	\$0.00330	\$0.02497	\$0.00055	\$0.02552
ALL GENERAL	Transformer Ownership Credit (kW/kVa)							(\$0.35)
	Voltage Discount at 4,160 Volts or Over (all kW/kVA and kWh)							2.00%
	Voltage Discount at 34,500 Volts or Over (all kW/kVA and kWh)							3.50%

(1) Includes a temporary rate distribution charge of \$0.00438 per kWh.
 (2) Includes low-income portion of \$0.00180 per kWh and energy efficiency portion of \$0.00150 per kWh.

* Authorized by NHPUC Order No. xx,xxx in Case No. DE 10-xxx, dated xxxxxxxxxxxx
 ** Authorized by NHPUC Order No. 25,133 in Case No. DE 10-172, dated July 30, 2010
 *** Authorized by NHPUC Order No. 24,903 in Case No. DE 08-097, dated September 30, 2008

SUMMARY OF DELIVERY SERVICE RATES (Includes Electricity Consumption Tax) (continued)

<u>Class</u>	<u>Distribution Charge*</u> (1)	<u>External Delivery Charge**</u>	<u>Stranded Cost Charge**</u>	<u>System Benefits Charge***</u> (2)	<u>Total Delivery Charges</u>	<u>Electricity Consumption Tax</u>	<u>Effective Delivery Rates (Incl. Electricity Consumption Tax)</u>
OL							
All kWh	\$0.00438	\$0.01688	\$0.00138	\$0.00330	\$0.02594	\$0.00055	\$0.02649

Luminaire Charges

Nominal <u>Watts</u>	Lamp Size		Monthly <u>kWh</u>	<u>Description</u>	<u>Price Per Luminaire</u>	
	<u>Lumens (Approx.)</u>				<u>Per Mo.</u>	<u>Per Year</u>
100	3,500		40	Mercury Vapor Street	\$7.90	\$94.80
175	7,000		67	Mercury Vapor Street	\$9.56	\$114.72
250	11,000		95	Mercury Vapor Street	\$10.97	\$131.64
400	20,000		154	Mercury Vapor Street	\$13.26	\$159.12
1,000	60,000		388	Mercury Vapor Street	\$27.34	\$328.08
250	11,000		95	Mercury Vapor Flood	\$11.75	\$141.00
400	20,000		154	Mercury Vapor Flood	\$14.27	\$171.24
1,000	60,000		388	Mercury Vapor Flood	\$24.31	\$291.72
100	3,500		40	Mercury Vapor Power Bracket	\$7.98	\$95.76
175	7,000		67	Mercury Vapor Power Bracket	\$8.96	\$107.52
50	4,000		21	Sodium Vapor Street	\$8.06	\$96.72
100	9,500		43	Sodium Vapor Street	\$9.20	\$110.40
150	16,000		60	Sodium Vapor Street	\$9.24	\$110.88
250	30,000		101	Sodium Vapor Street	\$11.84	\$142.08
400	50,000		161	Sodium Vapor Street	\$15.19	\$182.28
1,000	140,000		398	Sodium Vapor Street	\$26.99	\$323.88
150	16,000		60	Sodium Vapor Flood	\$10.81	\$129.72
250	30,000		101	Sodium Vapor Flood	\$12.93	\$155.16
400	50,000		161	Sodium Vapor Flood	\$14.83	\$177.96
1,000	140,000		398	Sodium Vapor Flood	\$27.23	\$326.76
50	4,000		21	Sodium Vapor Power Bracket	\$7.38	\$88.56
100	9,500		43	Sodium Vapor Power Bracket	\$8.41	\$100.92

(1) Includes a temporary rate distribution charge of \$0.00438 per kWh.
 (2) Includes low-income portion of \$0.00180 per kWh and energy efficiency portion of \$0.00150 per kWh.

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Issued: November 1, 2010
 Effective: January 1, 2011

Issued By: Mark H. Collin
 Treasurer

**SUMMARY OF LOW-INCOME
 ELECTRIC ASSISTANCE PROGRAM DISCOUNTS**

Low-Income Electric Assistance Program (LI-EAP) Discounts for Eligible Customers

				<u>Rate D</u>
<u>Tier</u>	<u>Percentage of Federal Poverty Guidelines</u>	<u>Discount</u>	<u>Blocks</u>	<u>LI-EAP Discount(1)</u>
1	176 - 185	5%	Customer Charge	(\$0.42)
			First 250 kWh	(\$0.00616)
			Excess 250 kWh	(\$0.00641)
2	151 - 175	7%	Customer Charge	(\$0.59)
			First 250 kWh	(\$0.00862)
			Excess 250 kWh	(\$0.00897)
3	126 - 150	18%	Customer Charge	(\$1.51)
			First 250 kWh	(\$0.02216)
			Excess 250 kWh	(\$0.02306)
4	101 - 125	33%	Customer Charge	(\$2.77)
			First 250 kWh	(\$0.04062)
			Excess 250 kWh	(\$0.04227)
5	76 - 100	48%	Customer Charge	(\$4.03)
			First 250 kWh	(\$0.05909)
			Excess 250 kWh	(\$0.06149)
6	0 - 75	70%	Customer Charge	(\$5.88)
			First 250 kWh	(\$0.08617)
			Excess 250 kWh	(\$0.08967)

(1) Total utility charges from Supplement No. 2, Page 2 (excluding the Electricity Consumption Tax) plus Non-G1 class Fixed Default Service Rate multiplied by the appropriate discount.

Authorized by NHPUC Order No. xx,xxx in Case No. DE 10-xxx, dated xxxxxxxxxx.

Issued: November 1, 2010
 Effective: January 1, 2011

Issued By: Mark H. Collin
 Treasurer

DOMESTIC DELIVERY SERVICE
SCHEDULE D (continued)

CHARACTER OF SERVICE

Electricity will normally be delivered at 120/240 volts using three wire, single phase service. In some areas service may be 120/208 volts, single phase, three wire.

DELIVERY SERVICE CHARGES - MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:		\$8.40 per meter
Distribution Charge:	First 250 kWh:	1.817¢ per kWh
	Excess 250 kWh:	2.317¢ per kWh

MINIMUM CHARGE

The minimum charge per month, or fraction thereof, shall be the Customer Charge.

GENERAL DELIVERY SERVICE
SCHEDULE G

AVAILABILITY

Service is available under this Schedule to non-domestic Customers for all general purposes and includes the operation of single phase motors having such characteristics and so operated as not to impair service to other Customers. Single phase motors exceeding five (5) horsepower will be allowed only upon approval by the Company in each instance. Unmetered traffic and flashing signal lights existing immediately prior to the effective date of this Schedule shall also be billed under this Schedule.

This Schedule is for delivery service only. Customers are required to obtain an energy supply from a Competitive Supplier, self-supply (available to Market Participant End Users as described in NHPUC Order No. 24,172), or may be eligible for Default Service from the Company pursuant to Schedule DS as amended from time to time.

CHARACTER OF SERVICE

Electric service of the following description is available, depending upon the location of the Customer: (1) 120/240 volts, single phase, three wire; (2) 120/208 volts, single phase, three wire; (3) 208Y/120 volts, three phase, four wire; (4) 480Y/277 volts, three phase, four wire; (5) 4160 volts, three phase, four wire or such higher primary distribution voltage as may be available, the voltage to be designated by the Company.

DELIVERY SERVICE CHARGES - MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

Large General Service Schedule G1: for any industrial or commercial Customer with its average use consistently equal to or in excess of two hundred (200) kilovolt-amperes of demand and generally greater than or equal to one-hundred thousand (100,000) kilowatt-hours per month.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	Secondary Voltage	\$108.86 per meter
	Primary Voltage	\$64.51 per meter

Distribution Charges: \$5.70 per kVA

Regular General Service Schedule G2: for any industrial or commercial Customer with its average use consistently below two-hundred (200) kilovolt-amperes of demand and generally less than one-hundred thousand (100,000) kilowatt-hours per month.

GENERAL DELIVERY SERVICE
SCHEDULE G (continued)

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	\$11.00 per meter
Distribution Charges:	\$7.05 per kW

Regular General Service Schedule G2 kWh meter: Service is available under this Schedule only to customers at locations which were receiving service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule. New customers at existing locations and new locations shall not be eligible for this rate, but the Company will install a demand meter and the location shall be served under Schedule G2.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	\$8.40 per meter
Distribution Charge:	2.995¢ per kWh

Uncontrolled (Quick Recovery) Water Heating: Uncontrolled (Quick Recovery) Water Heating is available under this Schedule at those locations which were receiving uncontrolled (Quick Recovery) water heating service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule.

For those locations which qualify under the preceding paragraph, uncontrolled quick recovery water heating service is available under this Schedule if the Customer has installed and in regular operation throughout the entire year an electric water heater of the quick recovery type, equipped with two thermostatically operated heating elements, each with a rating of no more than 4,500 watts, so connected and interlocked that they cannot operate simultaneously and if the water heater supplies the Customer's entire water heating requirements, all electricity supplied thereto under this provision will be metered separately and billed as follows:

DISTRIBUTION CHARGES - MONTHLY

Customer Charge	\$3.75 per meter
Distribution Charge	2.093¢ per kWh

GENERAL DELIVERY SERVICE
SCHEDULE G (continued)

Space Heating: Space Heating is available under this Schedule at those locations which were receiving space heating service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule. Customers who qualify for service under this Schedule for five (5) kilowatts or more of permanently-installed space heating equipment under this provision may elect to have such service metered separately and billed as follows:

DISTRIBUTION CHARGES - MONTHLY

Customer Charge: \$3.75 per meter

Distribution Charge: 2.093¢ per kWh

DETERMINATION OF DEMAND

Large General Service Schedule G1

For the purpose of demand billing under the Large General Service Schedule G1, metered demands shall be measured as the highest 15-minute integrated kilovolt-ampere (kVA) demand determined during the current month for which the bill is rendered. The monthly billing demand charge shall be based upon this metered demand except that it shall not be less than 80% of the

OUTDOOR LIGHTING SERVICE
 SCHEDULE OL

AVAILABILITY

This Schedule is available to governmental bodies and private customers for unmetered outdoor lighting service supplied from the Company's existing overhead conductors with lighting fixtures mounted on existing poles. Mercury Vapor lighting fixtures will be unavailable at new locations after December 1, 2002.

This Schedule is for delivery service only. Customers are required to obtain an energy supply from a Competitive Supplier, self-supply (available to Market Participant End Users as described in NHPUC Order No. 24,172), or may be eligible for Default Service from the Company pursuant to Schedule DS as amended from time to time.

CHARACTER OF SERVICE

All lighting shall be photoelectrically controlled. The Company will furnish and maintain the equipment hereinafter described and shall supply service at which the lamps are designed to operate. All lighting fixtures will be group relamped in accordance with the lamp manufacturer's suggested schedule. At relamping time the fixture will be maintained in accordance with the fixture manufacturer's suggested procedures.

DELIVERY SERVICE CHARGES – MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

DISTRIBUTION CHARGES: LUMINAIRE – MONTHLY

Lamp Size		Description of Luminaire	Luminaire Price per Month	Luminaire Monthly kWh
Nominal Watts	Lumens Approx.			
100	3,500	Mercury Vapor Street	\$7.90	40
175	7,000	Mercury Vapor Street	\$9.56	67
250	11,000	Mercury Vapor Street	\$10.97	95
400	20,000	Mercury Vapor Street	\$13.26	154
1,000*	60,000	Mercury Vapor Street	\$27.34	388
250	11,000	Mercury Vapor Flood	\$11.75	95
400	20,000	Mercury Vapor Flood	\$14.27	154
1,000	60,000	Mercury Vapor Flood	\$24.31	388
100	3,500	Mercury Vapor Power Bracket	\$7.98	40
175	7,000	Mercury Vapor Power Bracket	\$8.96	67
50	4,000	Sodium Vapor Street	\$8.06	21
100	9,500	Sodium Vapor Street	\$9.20	43
150	16,000	Sodium Vapor Street	\$9.24	60
250	30,000	Sodium Vapor Street	\$11.84	101
400	50,000	Sodium Vapor Street	\$15.19	161
1,000*	140,000	Sodium Vapor Street	\$26.99	398
150	16,000	Sodium Vapor Flood	\$10.81	60
250	30,000	Sodium Vapor Flood	\$12.93	101
400	50,000	Sodium Vapor Flood	\$14.83	161
1000	140,000	Sodium Vapor Flood	\$27.23	398
50	4,000	Sodium Vapor Power Bracket	\$7.38	21
100	9,500	Sodium Vapor Power Bracket	\$8.41	43

* 1,000 Watt Mercury Vapor Street and 1,000 Watt Sodium Vapor Street are no longer available. Flood lights are available with brackets and ballasts as specified by the Company.

Authorized by NHPUC Order No. xx,xxx in Case No. DE 10-xxx dated xxxxxxxxxx
 Issued: November 1, 2010 Issued by: Mark H. Collin
 Effective: January 1, 2011 Treasurer

SUMMARY OF DELIVERY SERVICE RATES (Includes Electricity Consumption Tax)

The effective rates listed below include an Electricity Consumption Tax, assessed in accordance with NII Statute RSA Chapter 83-E. This tax, collected on behalf of the State of NH by each electric utility, is based on kWh consumed. Each bill rendered for electric delivery service shall be calculated through the application of the effective rates as listed below.

Class		(1) Distribution Charge*	(1) Distribution Charge**	External Delivery Charge**	Stranded Cost Charge**	System Benefits Charge***	Total Delivery Charge	(1) Total Delivery Charge	Electricity Consumption Tax	Effective Delivery Rates (Incl. Electricity Consumption Tax)	(1) Effective Delivery Rates (Incl. Electricity Consumption Tax)
		(+)	(1)			(2)					
D	Customer Charge	\$8.40	\$8.40				\$8.40	\$8.40		\$8.40	\$8.40
	First 250 kWh	\$0.02248	\$0.02255	\$0.01688	\$0.00138	\$0.00330	\$0.04404	\$0.04411	\$0.00055	\$0.04459	\$0.04466
	Excess 250 kWh	\$0.02748	\$0.02755	\$0.01688	\$0.00138	\$0.00330	\$0.04904	\$0.04911	\$0.00055	\$0.04959	\$0.04966
G2	Customer Charge	\$11.00	\$11.00				\$11.00	\$11.00		\$11.00	\$11.00
	All kW	\$7.03	\$7.05		\$0.24		\$7.27	\$7.29		\$7.27	\$7.29
	All kWh	\$0.00438	\$0.00438	\$0.01688	\$0.00046	\$0.00330	\$0.02502	\$0.02502	\$0.00055	\$0.02557	\$0.02557
G2 - kWh meter	Customer Charge	\$8.40	\$8.40				\$8.40	\$8.40		\$8.40	\$8.40
	All kWh	\$0.03413	\$0.03433	\$0.01688	\$0.00138	\$0.00330	\$0.05560	\$0.05589	\$0.00055	\$0.05624	\$0.05644
G2 - Quick Recovery Water Heat and/or Space Heat	Customer Charge	\$3.75	\$3.75				\$3.75	\$3.75		\$3.75	\$3.75
	All kWh	\$0.02526	\$0.02531	\$0.01688	\$0.00138	\$0.00330	\$0.04682	\$0.04687	\$0.00055	\$0.04737	\$0.04742
G1	Customer Charge	\$108.86	\$108.86	Secondary Voltage			\$108.86	\$108.86		\$108.86	\$108.86
	Customer Charge	\$64.51	\$64.51	Primary Voltage			\$64.51	\$64.51		\$64.51	\$64.51
	All kVA	\$5.60	\$5.70		\$0.34		\$6.03	\$6.04		\$6.03	\$6.04
	All kWh	\$0.00438	\$0.00438	\$0.01688	\$0.00041	\$0.00330	\$0.02497	\$0.02497	\$0.00055	\$0.02552	\$0.02552
ALL GENERAL	Transformer Ownership Credit (kW/kVa)									(\$0.35)	(\$0.35)
	Voltage Discount at 4,160 Volts or Over (all kW/kVA and kWh)									2.00%	2.00%
	Voltage Discount at 34,500 Volts or Over (all kW/kVA and kWh)									3.50%	3.50%

(1) Includes a temporary rate distribution charge of \$0.00438 per kWh.
 (2) Includes low-income portion of \$0.00180 per kWh and energy efficiency portion of \$0.00150 per kWh.

* Authorized by NHPUC Order No. 2542 in Case No. DE 10-055, dated June 20, 2010
 ** Authorized by NHPUC Order No. 25,133 in Case No. DE 10-172, dated July 30, 2010
 *** Authorized by NHPUC Order No. 24,903 in Case No. DE 08-097, dated September 30, 2008

SUMMARY OF DELIVERY SERVICE RATES (Includes Electricity Consumption Tax) (continued)

Class	Distribution Charge* (1)	External Delivery Charge**	Stranded Cost Charge**	System Benefits Charge*** (2)	Total Delivery Charges	Electricity Consumption Tax	Effective Delivery Rates (Incl. Electricity Consumption Tax)	
OL	All kWh	\$0.00438	\$0.01688	\$0.00138	\$0.00330	\$0.02594	\$0.00055	\$0.02649

Luminaire Charges

Lamp Size			Description	Price-Per-Luminaire		(1) Per Mo.	(2) Price Per Luminaire Per Year
Nominal Watts	Lumens (Approx.)	Monthly kWh		Per Mo.	Per Year		
100	3,500	40	Mercury Vapor Street	\$7.88	\$94.56	\$7.99	\$94.89
175	7,000	67	Mercury Vapor Street	\$9.34	\$114.48	\$9.56	\$114.72
250	11,000	95	Mercury Vapor Street	\$10.95	\$131.40	\$10.97	\$131.64
400	20,000	154	Mercury Vapor Street	\$13.23	\$158.76	\$13.26	\$159.12
1,000	60,000	388	Mercury Vapor Street	\$27.29	\$327.48	\$27.34	\$328.08
250	11,000	95	Mercury Vapor Flood	\$11.73	\$140.76	\$11.75	\$141.09
400	20,000	154	Mercury Vapor Flood	\$14.24	\$170.88	\$14.27	\$171.24
1,000	60,000	388	Mercury Vapor Flood	\$24.26	\$291.12	\$24.31	\$291.72
100	3,500	40	Mercury Vapor Power Bracket	\$7.96	\$95.52	\$7.98	\$95.76
175	7,000	67	Mercury Vapor Power Bracket	\$8.94	\$107.28	\$8.96	\$107.52
50	4,000	21	Sodium Vapor Street	\$8.04	\$96.48	\$8.06	\$96.72
100	9,500	43	Sodium Vapor Street	\$9.18	\$110.16	\$9.20	\$110.40
150	16,000	60	Sodium Vapor Street	\$9.22	\$110.64	\$9.24	\$110.88
250	30,000	101	Sodium Vapor Street	\$11.82	\$141.84	\$11.84	\$142.08
400	50,000	161	Sodium Vapor Street	\$15.16	\$181.92	\$15.19	\$182.28
1,000	140,000	398	Sodium Vapor Street	\$26.94	\$323.28	\$26.99	\$323.88
150	16,000	60	Sodium Vapor Flood	\$10.79	\$129.48	\$10.81	\$129.72
250	30,000	101	Sodium Vapor Flood	\$12.90	\$154.80	\$12.92	\$155.04
400	50,000	161	Sodium Vapor Flood	\$14.80	\$177.60	\$14.83	\$177.96
1,000	140,000	398	Sodium Vapor Flood	\$27.18	\$326.16	\$27.23	\$326.76
50	4,000	21	Sodium Vapor Power Bracket	\$7.22	\$88.44	\$7.38	\$88.56
100	9,500	43	Sodium Vapor Power Bracket	\$8.10	\$100.68	\$8.41	\$100.92

(1) Includes a temporary rate distribution charge of \$0.00438 per kWh.
 (2) Includes low-income portion of \$0.00180 per kWh and energy efficiency portion of \$0.00150 per kWh.

* Authorized by NHPUC Order No. 25,124 in Case No. DE 10-055, dated June 20, 2010
 ** Authorized by NHPUC Order No. 25,133 in Case No. DE 10-172, dated July 30, 2010
 *** Authorized by NHPUC Order No. 24,903 in Case No. DE 08-097, dated September 30, 2008

**SUMMARY OF LOW-INCOME
 ELECTRIC ASSISTANCE PROGRAM DISCOUNTS**

Low-Income Electric Assistance Program (LI-EAP) Discounts for Eligible Customers

Tier	Percentage of Federal Poverty Guidelines	Discount	Blocks	Rate D	
				LI-EAP Discount(1)	(R) LI-EAP Discount(1)
1	176 - 185	5%	Customer Charge	(\$0.42)	(\$0.42)
			First 250 kWh	(\$0.00615)	(\$0.00616)
			Excess 250 kWh	(\$0.00640)	(\$0.00641)
2	151 - 175	7%	Customer Charge	(\$0.59)	(\$0.59)
			First 250 kWh	(\$0.00861)	(\$0.00862)
			Excess 250 kWh	(\$0.00896)	(\$0.00897)
3	126 - 150	18%	Customer Charge	(\$1.51)	(\$1.51)
			First 250 kWh	(\$0.02215)	(\$0.02216)
			Excess 250 kWh	(\$0.02305)	(\$0.02306)
4	101 - 125	33%	Customer Charge	(\$2.77)	(\$2.77)
			First 250 kWh	(\$0.04060)	(\$0.04062)
			Excess 250 kWh	(\$0.04225)	(\$0.04227)
5	76 - 100	48%	Customer Charge	(\$4.03)	(\$4.03)
			First 250 kWh	(\$0.05905)	(\$0.05909)
			Excess 250 kWh	(\$0.06145)	(\$0.06149)
6	0 - 75	70%	Customer Charge	(\$5.88)	(\$5.88)
			First 250 kWh	(\$0.08612)	(\$0.08617)
			Excess 250 kWh	(\$0.08962)	(\$0.08967)

(1) Total utility charges from Supplement No. 2, Page 2 (excluding the Electricity Consumption Tax) plus Non-GI class Fixed Default Service Rate multiplied by the appropriate discount.

Authorized by NHPUC Order No. ~~25-149~~xx,xxx in Case No. DE 10-028xxx, dated ~~September 24, 2010~~xxxxxxxxxxxx

Issued: ~~September 17, 2010~~November 1, 2010
 Effective: ~~November 1, 2010~~January 1, 2011

Issued By: Mark H. Collin
 Treasurer

DOMESTIC DELIVERY SERVICE
SCHEDULE D (continued)

CHARACTER OF SERVICE

Electricity will normally be delivered at 120/240 volts using three wire, single phase service. In some areas service may be 120/208 volts, single phase, three wire.

DELIVERY SERVICE CHARGES - MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:		\$8.40 per meter	
Distribution Charge:	First 250 kWh:	1.810 1.817¢ per kWh	(I)
	Excess 250 kWh:	2.310 2.317¢ per kWh	(I)

MINIMUM CHARGE

The minimum charge per month, or fraction thereof, shall be the Customer Charge.

Authorized by NHPUC ~~Secretarial Letter~~ Order No. ~~xx,xxx~~ in Case No. DE ~~08-08010-xxx~~ dated
~~June 11, 2008~~ xxxxxxxxxxxx.

Issued: ~~April 22, 2008~~ November 1, 2010
Effective: ~~June 1, 2008~~ January 1, 2011

Issued by: Mark H. Collin
Treasurer

GENERAL DELIVERY SERVICE
SCHEDULE G

AVAILABILITY

Service is available under this Schedule to non-domestic Customers for all general purposes and includes the operation of single phase motors having such characteristics and so operated as not to impair service to other Customers. Single phase motors exceeding five (5) horsepower will be allowed only upon approval by the Company in each instance. Unmetered traffic and flashing signal lights existing immediately prior to the effective date of this Schedule shall also be billed under this Schedule.

This Schedule is for delivery service only. Customers are required to obtain an energy supply from a Competitive Supplier, self-supply (available to Market Participant End Users as described in NHPUC Order No. 24,172), or may be eligible for Default Service from the Company pursuant to Schedule DS as amended from time to time.

CHARACTER OF SERVICE

Electric service of the following description is available, depending upon the location of the Customer: (1) 120/240 volts, single phase, three wire; (2) 120/208 volts, single phase, three wire; (3) 208Y/120 volts, three phase, four wire; (4) 480Y/277 volts, three phase, four wire; (5) 4160 volts, three phase, four wire or such higher primary distribution voltage as may be available, the voltage to be designated by the Company.

DELIVERY SERVICE CHARGES - MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

Large General Service Schedule G1: for any industrial or commercial Customer with its average use consistently equal to or in excess of two hundred (200) kilovolt-amperes of demand and generally greater than or equal to one-hundred thousand (100,000) kilowatt-hours per month.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	Secondary Voltage	\$108.86 per meter
	Primary Voltage	\$64.51 per meter

Distribution Charges:	\$5- 69 5.70 per kVA	(1)
-----------------------	---------------------------------	-----

Regular General Service Schedule G2: for any industrial or commercial Customer with its average use consistently below two-hundred (200) kilovolt-amperes of demand and generally less than one-hundred thousand (100,000) kilowatt-hours per month.

Authorized by NHPUC Order No. ~~24,742~~xx,xxx in Case No. DE ~~05-178~~10-xxx dated ~~April 13,~~
2007xxxxxxxxxx.

Issued: ~~April 25, 2007~~November 1, 2010
Effective: ~~May 1, 2007~~January 1, 2011

Issued by: Mark H. Collin
Treasurer

GENERAL DELIVERY SERVICE
SCHEDULE G (continued)

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	\$11.00 per meter	
Distribution Charges:	\$7.03 <u>7.05</u> per kW	(I)

Regular General Service Schedule G2 kWh meter: Service is available under this Schedule only to customers at locations which were receiving service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule. New customers at existing locations and new locations shall not be eligible for this rate, but the Company will install a demand meter and the location shall be served under Schedule G2.

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	\$8.40 per meter	
Distribution Charge:	2.9752 <u>2.995</u> ¢ per kWh	(I)

Uncontrolled (Quick Recovery) Water Heating: Uncontrolled (Quick Recovery) Water Heating is available under this Schedule at those locations which were receiving uncontrolled (Quick Recovery) water heating service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule.

For those locations which qualify under the preceding paragraph, uncontrolled quick recovery water heating service is available under this Schedule if the Customer has installed and in regular operation throughout the entire year an electric water heater of the quick recovery type, equipped with two thermostatically operated heating elements, each with a rating of no more than 4,500 watts, so connected and interlocked that they cannot operate simultaneously and if the water heater supplies the Customer's entire water heating requirements, all electricity supplied thereto under this provision will be metered separately and billed as follows:

DISTRIBUTION CHARGES - MONTHLY

Customer Charge	\$3.75 per meter	
Distribution Charge	2.0882 <u>2.093</u> ¢ per kWh	(I)

Authorized by NHPUC ~~Secretarial Letter~~ Order No. ~~xx,xxx~~ in Case No. DE ~~08-08010-xxx~~ dated ~~June 11, 2008~~xxxxxxxxxxxx.

Issued: ~~April 22, 2008~~November 1, 2010
Effective: ~~June 1, 2008~~January 1, 2011

Issued by: Mark H. Collin
Treasurer

GENERAL DELIVERY SERVICE
SCHEDULE G (continued)

Space Heating: Space Heating is available under this Schedule at those locations which were receiving space heating service under Unitil Energy Systems, Inc.'s NHPUC No. 1 and are presently receiving service under this Schedule. Customers who qualify for service under this Schedule for five (5) kilowatts or more of permanently-installed space heating equipment under this provision may elect to have such service metered separately and billed as follows:

DISTRIBUTION CHARGES - MONTHLY

Customer Charge:	\$3.75 per meter	
Distribution Charge:	2.088 <u>2.093</u> ¢ per kWh	(1)

DETERMINATION OF DEMAND

Large General Service Schedule G1

For the purpose of demand billing under the Large General Service Schedule G1, metered demands shall be measured as the highest 15-minute integrated kilovolt-ampere (kVA) demand determined during the current month for which the bill is rendered. The monthly billing demand charge shall be based upon this metered demand except that it shall not be less than 80% of the

Authorized by NHPUC ~~Secretarial Letter Order No. xx,xxx~~ in Case No. DE ~~08-08010-xxx~~ dated
~~June 11, 2008~~XXXXXXXXXXXX.

Issued: ~~April 22, 2008~~November 1, 2010
Effective: ~~June 1, 2008~~January 1, 2011

Issued by: Mark H. Collin
Treasurer

OUTDOOR LIGHTING SERVICE
 SCHEDULE OL

AVAILABILITY

This Schedule is available to governmental bodies and private customers for unmetered outdoor lighting service supplied from the Company's existing overhead conductors with lighting fixtures mounted on existing poles. Mercury Vapor lighting fixtures will be unavailable at new locations after December 1, 2002.

This Schedule is for delivery service only. Customers are required to obtain an energy supply from a Competitive Supplier, self-supply (available to Market Participant End Users as described in NHPUC Order No. 24,172), or may be eligible for Default Service from the Company pursuant to Schedule DS as amended from time to time.

CHARACTER OF SERVICE

All lighting shall be photoelectrically controlled. The Company will furnish and maintain the equipment hereinafter described and shall supply service at which the lamps are designed to operate. All lighting fixtures will be group relamped in accordance with the lamp manufacturer's suggested schedule. At relamping time the fixture will be maintained in accordance with the fixture manufacturer's suggested procedures.

DELIVERY SERVICE CHARGES – MONTHLY

The Delivery Service Charges shall include Distribution Charges and Adjustments, set forth below.

DISTRIBUTION CHARGES: LUMINAIRE – MONTHLY

Lamp Size		Description of Luminaire	Luminaire Price per Month	Luminaire Monthly kWh
Nominal Watts	Lumens Approx.			
100	3,500	Mercury Vapor Street	\$7.8890 (I)	40
175	7,000	Mercury Vapor Street	\$9.5456 (I)	67
250	11,000	Mercury Vapor Street	\$10.9597 (I)	95
400	20,000	Mercury Vapor Street	\$13.2326 (I)	154
1,000*	60,000	Mercury Vapor Street	\$27.2934 (I)	388
250	11,000	Mercury Vapor Flood	\$11.7375 (I)	95
400	20,000	Mercury Vapor Flood	\$14.2427 (I)	154
1,000	60,000	Mercury Vapor Flood	\$24.2631 (I)	388
100	3,500	Mercury Vapor Power Bracket	\$7.9698 (I)	40
175	7,000	Mercury Vapor Power Bracket	\$8.9496 (I)	67
50	4,000	Sodium Vapor Street	\$8.0406 (I)	21
100	9,500	Sodium Vapor Street	\$9.4820 (I)	43
150	16,000	Sodium Vapor Street	\$9.2224 (I)	60
250	30,000	Sodium Vapor Street	\$11.8284 (I)	101
400	50,000	Sodium Vapor Street	\$15.4619 (I)	161
1,000*	140,000	Sodium Vapor Street	\$26.9499 (I)	398
150	16,000	Sodium Vapor Flood	\$10.7981 (I)	60
250	30,000	Sodium Vapor Flood	\$12.9093 (I)	101
400	50,000	Sodium Vapor Flood	\$14.8083 (I)	161
1000	140,000	Sodium Vapor Flood	\$27.4823 (I)	398
50	4,000	Sodium Vapor Power Bracket	\$7.3738 (I)	21
100	9,500	Sodium Vapor Power Bracket	\$8.3941 (I)	43

* 1,000 Watt Mercury Vapor Street and 1,000 Watt Sodium Vapor Street are no longer available. Flood lights are available with brackets and ballasts as specified by the Company.

Authorized by NHPUC Order No. ~~24,742-xx,xxx~~ in Case No. DE 05-17810-xxx dated April 13, 2007 ~~xxxxxxxxxxxxx~~.

Issued: ~~April 25, 2007~~ November 1, 2010
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Issued by: Mark H. Collin
 Treasurer

Unitil Energy Systems, Inc.
Calculation of DER Step Adjustment for Distribution Rates effective January 1, 2011

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
	Units	Current Rates	Design Revenue	Expected Book Revenue	DER Step Adjustment	DER Step Adj Chg	DER Step Adj Rev	Total Revenue	Final Proposed Distribution Rates
Residential - D									
Test Year Consumers	738,543	\$8.40	\$6,203,761						\$8.40
First 250 kWh	168,907,373	\$0.02248	\$3,797,038			\$0.00007	\$12,501		\$0.02255
Excess kWh	317,470,845	\$0.02748	\$8,724,099			\$0.00007	\$23,497		\$0.02755
Total Billed Revenue			\$18,724,898				\$35,998		
Booked to Billed Adjustment			1.0002				1.0002		
Expected Book Revenue			\$18,727,895	\$18,727,895	\$36,004		\$36,004	\$18,763,899	
Small General Service - G2 kWh									
Test Year Consumers	7,248	\$8.40	\$60,883						\$8.40
Annual kWh	845,771	\$0.03413	\$28,866			\$0.00020	\$173		\$0.03433
Total Billed Revenue			\$89,749				\$173		
Booked to Billed Adjustment			1.0020				1.0020		
Expected Book Revenue			\$89,929	\$89,929	\$173		\$173	\$90,102	
Small General Service - G2 QR WH /SH									
Test Year Consumers	4,029	\$3.75	\$15,109						\$3.75
Annual kWh	7,478,987	\$0.02526	\$188,919			\$0.00005	\$392		\$0.02531
Total Billed Revenue			\$204,028				\$392		
Booked to Billed Adjustment			1.0020				1.0020		
Expected Book Revenue			\$204,432	\$204,432	\$393		\$393	\$204,825	
Small General Service - G2 Demand									
Test Year Consumers	113,769	\$11.00	\$1,251,454						\$11.00
Demand kW	1,298,686	\$7.03	\$9,129,762			\$0.02	\$22,868		\$7.05
Annual kWh	345,683,528	\$0.00438	\$1,514,094				\$0		\$0.00438
Total Billed Revenue			\$11,895,309				\$22,868		
Booked to Billed Adjustment			0.9994				0.9994		
Expected Book Revenue			\$11,888,316	\$11,888,316	\$22,855		\$22,855	\$11,911,171	
Large General Service - G1									
Test Year Consumers - Secondary	1,370	\$108.86	\$149,094						\$108.86
Test Year Consumers - Primary	452	\$64.51	\$29,189						\$64.51
Demand kVA	996,528	\$5.69	\$5,670,244			\$0.01	\$14,314		\$5.70
Annual kWh	364,679,187	\$0.00438	\$1,597,295				\$0		\$0.00438
Total Billed Revenue			\$7,445,822				\$14,314		
Booked to Billed Adjustment			0.9988				0.9988		
Expected Book Revenue			\$7,436,747	\$7,436,747	\$14,297		\$14,297	\$7,451,044	

Unitil Energy Systems, Inc.
Calculation of DER Step Adjustment for Distribution Rates effective January 1, 2011

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
Units	Current Rates	Design Revenue	Expected Book Revenue	DER Step Adjustment	DER Step Adj Chg	DER Step Adj Rev	Total Revenue	Final Proposed Distribution Rates
Outdoor Lighting - OL								
100W Mercury Vapor Street	22,928	\$7.88	\$180,673		\$0.02	\$358		\$7.90
175W Mercury Vapor Street	1,337	\$9.54	\$12,755		\$0.02	\$25		\$9.56
250W Mercury Vapor Street	1,522	\$10.95	\$16,666		\$0.02	\$33		\$10.97
400W Mercury Vapor Street	3,944	\$13.23	\$52,179		\$0.03	\$104		\$13.26
1000W Mercury Vapor Street	108	\$27.29	\$2,947		\$0.05	\$6		\$27.34
250W Mercury Vapor Flood	1,195	\$11.73	\$14,017		\$0.02	\$28		\$11.75
400W Mercury Vapor Flood	2,727	\$14.24	\$38,832		\$0.03	\$77		\$14.27
1000W Mercury Vapor Flood	844	\$24.26	\$20,475		\$0.05	\$41		\$24.31
100W Mercury Vapor Power Bracket	7,431	\$7.96	\$59,151		\$0.02	\$117		\$7.98
175W Mercury Vapor Power Bracket	1,199	\$8.94	\$10,719		\$0.02	\$21		\$8.96
50W Sodium Vapor Street	36,953	\$8.04	\$297,102		\$0.02	\$590		\$8.06
100W Sodium Vapor Street	1,031	\$9.18	\$9,465		\$0.02	\$19		\$9.20
150W Sodium Vapor Street	4,321	\$9.22	\$39,840		\$0.02	\$79		\$9.24
250W Sodium Vapor Street	11,439	\$11.82	\$135,209		\$0.02	\$268		\$11.84
400W Sodium Vapor Street	3,227	\$15.16	\$48,921		\$0.03	\$97		\$15.19
1000W Sodium Vapor Street	1,879	\$26.94	\$50,620		\$0.05	\$100		\$26.99
150W Sodium Vapor Flood	2,792	\$10.79	\$30,126		\$0.02	\$60		\$10.81
250W Sodium Vapor Flood	3,069	\$12.90	\$39,590		\$0.03	\$79		\$12.93
400W Sodium Vapor Flood	4,693	\$14.80	\$69,456		\$0.03	\$138		\$14.83
1000W Sodium Vapor Flood	3,470	\$27.18	\$94,315		\$0.05	\$187		\$27.23
50W Sodium Vapor Power Bracket	1,132	\$7.37	\$8,343		\$0.01	\$17		\$7.38
100W Sodium Vapor Power Bracket	643	\$8.39	\$5,395		\$0.02	\$11		\$8.41
Fixture Revenue			\$1,236,796			\$2,454		
Delivery charge	9,206,974	\$0.00438	\$40,327					
Total Billed Revenue			\$1,277,123			\$2,454		
Booked to Billed Adjustment - Fixtures			1,0021			1,0021		
Booked to Billed Adjustment - Delivery			0.9866					
Expected Book Revenue			\$1,279,210	\$1,279,210	\$2,459	\$2,459	\$1,281,669	
Total Expected Booked Revenue				\$39,626,528		\$76,181	\$39,702,709	
DER Step Adjustment				\$76,181				
DER Step Adjustment Percentage				0.19%				

- Col. 1: Test year billing determinants in DE 05-178. D-OPWH and G2 OPWh moved to current rate class and transformer discounts omitted from calculation.
- Col. 2: Rates effective August 1, 2010
- Col. 3: Design revenue = Col.1 times Col. 2
- Col. 4: Expected book revenue = design revenue times booked to billed adjustment factor
- Col. 5: DER Step adjustment of \$76,181 allocated to each class based on equal percentage (col. 4 times step adjustment percentage of 0.192%)
- Col. 6: Step adjustment charge equals class step adjustment divided by billing units
- Col. 7: Step adjustment revenue equals column 1 times column 6 times class booked to billed adjustment.
- Col. 8: Total class revenue equals column 4 plus column 7.
- Col. 9: Final distribution rates equal column 2 plus column 6.

Unitil Energy Systems, Inc.
Step Adjustment for Distributed Energy Resources Investment - SAU 16
Revenue Requirement

Attachment 2
Page 1

Description (1)	Amount (2)	Reference (3)
Net Utility Plant / Rate Base Investment	\$ 202,000.00	Page 2
Pre-Tax Rate of Return	11.29%	Page 3
Return and Related Income Taxes	<u>\$ 22,807.38</u>	
Amortization of Investment	\$ 11,019.96	Page 2
Amortization of Start-up Costs	\$ 36,736.46	Page 4
Allowance for Lost Base Revenues	\$ 5,617.35	Page 5
Total Step Adjustment Revenue Requirement	<u>\$ 76,181.15</u>	

Unitil Energy Systems, Inc.
 Step Adjustment for Distributed Energy Resources Investment - SAU 16
Statement of Investment

Installation (1)	Life (YRS) (2)	Invoice Cost (3)	Overhead (4)	Total Investment (5)	Annual Amortization (6)
Micro Combined Heat and Power	15	\$ 54,651	1.0%	\$ 55,198	\$ 3,679.83
Solar PV - Invoice #1	20	\$ 109,922	1.0%	\$ 111,021	\$ 5,551.06
Solar PV - Invoice #2	20	\$ 35,427	1.0%	\$ 35,781	\$ 1,789.06
Total		\$ 200,000		\$ 202,000	\$ 11,019.96

Col. (2) = for amortization purposes
 Col. (4) = general overhead factor
 Col. (5) = Col. (3) * (1 + Col. (4))
 Col. (6) = Col. (5) / Col. (2)

Unitil Energy Systems, Inc.
 Step Adjustment for Distributed Energy Resources Investment - SAU 16
Cost of Capital

Pro Forma 2010 Current Capital Structure (1)	Amount (2)	Percent Total (3)	Cost (4)	After Tax Weighted Cost (5)	Tax Gross-Up (6)	Before Tax Weighted Cost (7)
Common Equity	\$63,496,154	44.18%	9.67%	4.27%	1.6815	7.18%
Preferred Stock Equity	\$225,000	0.16%	6.00%	0.01%	1.6815	0.02%
Long Term Debt	\$80,000,000	55.66%	7.35%	4.09%	1	4.09%
Total	\$143,721,154	100.00%		8.37%		11.29%

- Col. (2) = 2009 year-end pro-forma as filed in DE 10-055.
 Col. (3) = Col.(2) divided by the total
 Col. (4) = Last approved ROE. Proposed ROE of 10.7% is pending in DE 10-055.
 Col. (5) = Col. (3) X (4)
 Col. (6) = As filed in DE 10-055.
 Col. (7) = Col. (5) X (6)

Description (1)	Invoice Cost (2)	Proposed Amortization Period (3)	Annual Cost (4)
Consulting Charges	\$183,682	5 \$	36,736.46
Total	\$183,682		\$36,736.46

LIST OF INVOICES:

DATE	VENDOR	PROJECT	AMOUNT
4/8/2010	ENERGY STRATEG	DER Project	\$8,000.00
2/17/2010	ENERGY STRATEG	DER Project	\$12,000.00
1/15/2010	ENERGY STRATEG	DER Project	\$9,597.90
12/9/2009	ENERGY STRATEG	DER Project	\$14,500.00
11/23/2009	ENERGY STRATEG	DER Project	\$5,000.00
10/19/2009	ENERGY STRATEG	DER Project	\$12,922.95
10/7/2009	ENERGY STRATEG	DER Project	\$15,000.00
9/10/2009	ENERGY STRATEG	DER Project	\$11,000.00
7/20/2009	ENERGY STRATEG	DER Project	\$7,681.50
6/9/2009	ENERGY STRATEG	DER Project	\$6,921.80
5/20/2009	ENERGY STRATEG	DER Project	\$6,000.00
4/21/2009	ENERGY STRATEG	DER Project	\$10,000.00
3/10/2009	ENERGY STRATEG	DER Project	\$14,116.50
2/10/2009	ENERGY STRATEG	DER Project	\$15,000.00
1/20/2009	ENERGY STRATEG	DER Project	\$10,372.34
1/20/2009	ENERGY STRATEG	DER Project	\$11,319.32
1/20/2009	ENERGY STRATEG	DER Project	\$14,250.00
TOTAL			\$183,682.31

Unitil Energy Systems, Inc.
 Step Adjustment for Distributed Energy Resources Investment - SAU 16
Estimated Lost Base Revenue

Installation Type (1)	Rate Class (2)	Monthly kW Reduction (3)	Coincidence With Peak Demand (4)	kW Savings (5)	Distribution Rate (6)	Monthly Lost Revenue (7)	Annual Lost Revenue (8)
Solar PV	General G1	80.0	50%	40.0	\$ 6.57	\$ 263	\$ 3,154
Micro Combined Heat and Power	General G1	62.5	50%	31.3	\$ 6.57	\$ 205	\$ 2,464
Total						\$ 468	\$ 5,617

Col. (5) = Col. (3) * Col. (4)
 Col. (6) = Distribution rates proposed in DE 10-055. G1 rate is per kVA. Calculation assumes 100% power factor.
 Col. (7) = Col. (5) * Col. (6)
 Col. (8) = Col. (7) * 12

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on D Rate Customers				
Average kWh	Total Bill Using Rates 11/1/2010	Total Bill Using Rates 1/1/2011	Total Difference	% Total Difference
125	\$23.78	\$23.79	\$0.01	0.04%
250	\$39.16	\$39.18	\$0.02	0.04%
500	\$71.17	\$71.20	\$0.03	0.05%
600	\$83.97	\$84.01	\$0.04	0.05%
750	\$103.17	\$103.23	\$0.05	0.05%
1,000	\$135.18	\$135.25	\$0.07	0.05%
1,250	\$167.19	\$167.28	\$0.09	0.05%
1,500	\$199.20	\$199.30	\$0.11	0.05%
2,000	\$263.21	\$263.35	\$0.14	0.05%
3,500	\$455.26	\$455.50	\$0.24	0.05%
5,000	\$647.30	\$647.65	\$0.35	0.05%

	<u>Rates - Effective November 1, 2010</u>	<u>Rates - Proposed January 1, 2011</u>	<u>Difference</u>
Customer Charge	\$8.40	\$8.40	\$0.00
	<u>kWh</u>	<u>kWh</u>	<u>kWh</u>
Distribution Charge: First 250 kWh	\$0.02248	\$0.02255	\$0.00007
Excess 250 kWh	\$0.02748	\$0.02755	\$0.00007
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000
Stranded Cost Charge	\$0.00138	\$0.00138	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	\$0.07899	\$0.07899	\$0.00000
TOTAL First 250 kWh	\$0.12303	\$0.12310	\$0.00007
Excess 250 kWh	\$0.12803	\$0.12810	\$0.00007

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on G2 Rate Customers						
Load Factor	Average Monthly kW	Average Monthly kWh	Total Bill Using Rates 11/1/2010	Total Bill Using Rates 1/1/2011	Total Difference	% Total Difference
20%	5	730	\$123.28	\$123.38	\$0.10	0.08%
20%	10	1,460	\$235.55	\$235.75	\$0.20	0.08%
20%	15	2,190	\$347.83	\$348.13	\$0.30	0.09%
20%	25	3,650	\$572.39	\$572.89	\$0.50	0.09%
20%	50	7,300	\$1,133.77	\$1,134.77	\$1.00	0.09%
20%	75	10,950	\$1,695.16	\$1,696.66	\$1.50	0.09%
20%	100	14,600	\$2,256.55	\$2,258.55	\$2.00	0.09%
20%	150	21,900	\$3,379.32	\$3,382.32	\$3.00	0.09%
36%	5	1,314	\$184.02	\$184.12	\$0.10	0.05%
36%	10	2,628	\$357.04	\$357.24	\$0.20	0.06%
36%	15	3,942	\$530.06	\$530.36	\$0.30	0.06%
36%	25	6,570	\$876.10	\$876.60	\$0.50	0.06%
36%	50	13,140	\$1,741.19	\$1,742.19	\$1.00	0.06%
36%	75	19,710	\$2,606.29	\$2,607.79	\$1.50	0.06%
36%	100	26,280	\$3,471.38	\$3,473.38	\$2.00	0.06%
36%	150	39,420	\$5,201.57	\$5,204.57	\$3.00	0.06%
50%	5	1,825	\$237.17	\$237.27	\$0.10	0.04%
50%	10	3,650	\$463.34	\$463.54	\$0.20	0.04%
50%	15	5,475	\$689.50	\$689.80	\$0.30	0.04%
50%	25	9,125	\$1,141.84	\$1,142.34	\$0.50	0.04%
50%	50	18,250	\$2,272.68	\$2,273.68	\$1.00	0.04%
50%	75	27,375	\$3,403.52	\$3,405.02	\$1.50	0.04%
50%	100	36,500	\$4,534.37	\$4,536.37	\$2.00	0.04%
50%	150	54,750	\$6,796.05	\$6,799.05	\$3.00	0.04%
	Rates - Effective November 1, 2010	Rates - Proposed January 1, 2011	Difference			
Customer Charge	\$11.00	\$11.00	\$0.00			
	<u>All kW</u>	<u>All kW</u>	<u>All kW</u>			
Distribution Charge	\$7.03	\$7.05	\$0.02			
Stranded Cost Charge	\$0.24	\$0.24	\$0.00			
TOTAL	\$7.27	\$7.29	\$0.02			
	<u>kWh</u>	<u>kWh</u>	<u>kWh</u>			
Distribution Charge	\$0.00438	\$0.00438	\$0.00000			
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000			
Stranded Cost Charge	\$0.00046	\$0.00046	\$0.00000			
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000			
Default Service Charge	\$0.07899	\$0.07899	\$0.00000			
TOTAL	\$0.10401	\$0.10401	\$0.00000			

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on G2 kWh Meter Rate Customers				
Average Monthly kWh	Total Bill Using Rates <u>11/1/2010</u>	Total Bill Using Rates <u>1/1/2011</u>	Total <u>Difference</u>	% Total <u>Difference</u>
15	\$10.42	\$10.42	\$0.00	0.03%
75	\$18.50	\$18.52	\$0.02	0.08%
150	\$28.60	\$28.63	\$0.03	0.10%
250	\$42.07	\$42.12	\$0.05	0.12%
350	\$55.54	\$55.61	\$0.07	0.13%
450	\$69.01	\$69.10	\$0.09	0.13%
550	\$82.47	\$82.58	\$0.11	0.13%
650	\$95.94	\$96.07	\$0.13	0.14%
750	\$109.41	\$109.56	\$0.15	0.14%
900	\$129.61	\$129.79	\$0.18	0.14%
	<u>Rates - Effective November 1, 2010</u>	<u>Rates - Proposed January 1, 2011</u>	<u>Difference</u>	
kWh Meter Customer Charge	\$8.40	\$8.40	\$0.00	
	<u>All kWh</u>	<u>All kWh</u>	<u>All kWh</u>	
Distribution Charge	\$0.03413	\$0.03433	\$0.00020	
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000	
Stranded Cost Charge	\$0.00138	\$0.00138	\$0.00000	
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000	
Default Service Charge	<u>\$0.07899</u>	<u>\$0.07899</u>	<u>\$0.00000</u>	
TOTAL	\$0.13468	\$0.13488	\$0.00020	

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on G2 QRWH and SH Rate Customers				
Average kWh	Total Bill Using Rates 11/1/2010	Total Bill Using Rates 1/1/2011	Total Difference	% Total Difference
100	\$16.33	\$16.34	\$0.00	0.03%
200	\$28.91	\$28.92	\$0.01	0.03%
300	\$41.49	\$41.51	\$0.02	0.04%
400	\$54.07	\$54.09	\$0.02	0.04%
500	\$66.66	\$66.68	\$0.03	0.04%
750	\$98.11	\$98.15	\$0.04	0.04%
1,000	\$129.56	\$129.61	\$0.05	0.04%
1,500	\$192.47	\$192.54	\$0.07	0.04%
2,000	\$255.37	\$255.47	\$0.10	0.04%
2,500	\$318.28	\$318.40	\$0.12	0.04%
Rates - Effective Rates - Proposed Difference <u>November 1, 2010</u> <u>January 1, 2011</u>				
Customer Charge	\$3.75	\$3.75	\$0.00	
	<u>All kWh</u>	<u>All kWh</u>	<u>All kWh</u>	
Distribution Charge	\$0.02526	\$0.02531	\$0.00005	
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000	
Stranded Cost Charge	\$0.00138	\$0.00138	\$0.00000	
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000	
Default Service Charge	<u>\$0.07899</u>	<u>\$0.07899</u>	<u>\$0.00000</u>	
TOTAL	\$0.12581	\$0.12586	\$0.00005	

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on G1 Rate Customers						
Load Factor	Average Monthly kVa	Average Monthly kWh	Total Bill Using Rates 11/1/2010	Total Bill Using Rates 1/1/2011	Total Difference	% Total Difference
25.0%	200	36,500	\$4,889.31	\$4,891.31	\$2.00	0.04%
25.0%	400	73,000	\$9,669.75	\$9,673.75	\$4.00	0.04%
25.0%	600	109,500	\$14,450.20	\$14,456.20	\$6.00	0.04%
25.0%	800	146,000	\$19,230.64	\$19,238.64	\$8.00	0.04%
25.0%	1,000	182,500	\$24,011.09	\$24,021.09	\$10.00	0.04%
25.0%	1,500	273,750	\$35,962.20	\$35,977.20	\$15.00	0.04%
25.0%	2,000	365,000	\$47,913.31	\$47,933.31	\$20.00	0.04%
25.0%	2,500	456,250	\$59,864.42	\$59,889.42	\$25.00	0.04%
25.0%	3,000	547,500	\$71,815.54	\$71,845.54	\$30.00	0.04%
40.0%	200	58,400	\$7,033.97	\$7,035.97	\$2.00	0.03%
40.0%	400	116,800	\$13,959.08	\$13,963.08	\$4.00	0.03%
40.0%	600	175,200	\$20,884.20	\$20,890.20	\$6.00	0.03%
40.0%	800	233,600	\$27,809.31	\$27,817.31	\$8.00	0.03%
40.0%	1,000	292,000	\$34,734.42	\$34,744.42	\$10.00	0.03%
40.0%	1,500	438,000	\$52,047.20	\$52,062.20	\$15.00	0.03%
40.0%	2,000	584,000	\$69,359.98	\$69,379.98	\$20.00	0.03%
40.0%	2,500	730,000	\$86,672.76	\$86,697.76	\$25.00	0.03%
40.0%	3,000	876,000	\$103,985.54	\$104,015.54	\$30.00	0.03%
57.0%	200	83,220	\$9,464.59	\$9,466.59	\$2.00	0.02%
57.0%	400	166,440	\$18,820.33	\$18,824.33	\$4.00	0.02%
57.0%	600	249,660	\$28,176.06	\$28,182.06	\$6.00	0.02%
57.0%	800	332,880	\$37,531.80	\$37,539.80	\$8.00	0.02%
57.0%	1,000	416,100	\$46,887.53	\$46,897.53	\$10.00	0.02%
57.0%	1,500	624,150	\$70,276.87	\$70,291.87	\$15.00	0.02%
57.0%	2,000	832,200	\$93,666.21	\$93,686.21	\$20.00	0.02%
57.0%	2,500	1,040,250	\$117,055.54	\$117,080.54	\$25.00	0.02%
57.0%	3,000	1,248,300	\$140,444.88	\$140,474.88	\$30.00	0.02%
71.0%	200	103,660	\$11,466.28	\$11,468.28	\$2.00	0.02%
71.0%	400	207,320	\$22,823.71	\$22,827.71	\$4.00	0.02%
71.0%	600	310,980	\$34,181.13	\$34,187.13	\$6.00	0.02%
71.0%	800	414,640	\$45,538.56	\$45,546.56	\$8.00	0.02%
71.0%	1,000	518,300	\$56,895.98	\$56,905.98	\$10.00	0.02%
71.0%	1,500	777,450	\$85,289.54	\$85,304.54	\$15.00	0.02%
71.0%	2,000	1,036,600	\$113,683.10	\$113,703.10	\$20.00	0.02%
71.0%	2,500	1,295,750	\$142,076.66	\$142,101.66	\$25.00	0.02%
71.0%	3,000	1,554,900	\$170,470.22	\$170,500.22	\$30.00	0.02%

	Rates - Effective November 1, 2010	Rates - Proposed January 1, 2011	Difference
Customer Charge	\$108.86	\$108.86	\$0.00
Distribution Charge	All kVA	All kVA	All kVA
Stranded Cost Charge	\$5.69	\$5.70	\$0.01
TOTAL	\$0.34	\$0.34	\$0.00
	\$6.03	\$6.04	\$0.01
	All kWh	All kWh	All kWh
Distribution Charge	\$0.00438	\$0.00438	\$0.00000
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000
Stranded Cost Charge	\$0.00041	\$0.00041	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge*	\$0.07296	\$0.07296	\$0.00000
TOTAL	\$0.09793	\$0.09793	\$0.00000

* Default Service Charges shown are based on the average of the DSC for each 3-month period.

Unitil Energy Systems, Inc. Typical Bill Impacts - November 1, 2010 versus January 1, 2011 Impacts do NOT include the Electricity Consumption Tax Impact on OL Rate Customers							
	<u>Nominal Watts</u>	<u>Lumens</u>	<u>Average Monthly kWh</u>	<u>Total Bill Using Rates 11/1/2010</u>	<u>Total Bill Using Rates 1/1/2011</u>	<u>Total Difference</u>	<u>% Total Difference</u>
<u>Mercury Vapor:</u>							
1	100	3,500	40	\$12.08	\$12.10	\$0.02	0.17%
2	175	7,000	67	\$16.57	\$16.59	\$0.02	0.12%
3	250	11,000	95	\$20.92	\$20.94	\$0.02	0.10%
4	400	20,000	154	\$29.39	\$29.42	\$0.03	0.10%
5	1,000	60,000	388	\$68.00	\$68.05	\$0.05	0.07%
6	250	11,000	95	\$21.70	\$21.72	\$0.02	0.09%
7	400	20,000	154	\$30.40	\$30.43	\$0.03	0.10%
8	1,000	60,000	388	\$64.97	\$65.02	\$0.05	0.08%
9	100	3,500	40	\$12.16	\$12.18	\$0.02	0.16%
10	175	7,000	67	\$15.97	\$15.99	\$0.02	0.13%
<u>High Pressure Sodium:</u>							
11	50	4,000	21	\$10.24	\$10.26	\$0.02	0.20%
12	100	9,500	43	\$13.69	\$13.71	\$0.02	0.15%
13	150	16,000	60	\$15.52	\$15.54	\$0.02	0.13%
14	250	30,000	101	\$22.42	\$22.44	\$0.02	0.09%
15	400	50,000	161	\$32.05	\$32.08	\$0.03	0.09%
16	1,000	140,000	398	\$68.70	\$68.75	\$0.05	0.07%
17	150	16,000	60	\$17.09	\$17.11	\$0.02	0.12%
18	250	30,000	101	\$23.50	\$23.53	\$0.03	0.13%
19	400	50,000	161	\$31.69	\$31.72	\$0.03	0.09%
20	1,000	140,000	398	\$68.94	\$68.99	\$0.05	0.07%
21	50	4,000	21	\$9.57	\$9.58	\$0.01	0.10%
22	100	95,000	43	\$12.90	\$12.92	\$0.02	0.16%

	<u>Rates - Effective November 1, 2010</u>	<u>Rates - Proposed January 1, 2011</u>	<u>Difference</u>
Customer Charge	\$0.00	\$0.00	\$0.00
Distribution Charge	<u>All kWh</u> \$0.00438	<u>All kWh</u> \$0.00438	<u>All kWh</u> \$0.00000
External Delivery Charge	\$0.01688	\$0.01688	\$0.00000
Stranded Cost Charge	\$0.00138	\$0.00138	\$0.00000
System Benefits Charge	\$0.00330	\$0.00330	\$0.00000
Default Service Charge	<u>\$0.07899</u>	<u>\$0.07899</u>	<u>\$0.00000</u>
TOTAL	\$0.10493	\$0.10493	\$0.00000

<u>Luminaire Charges For Year Round Service:</u>			
	<u>Mercury Vapor Rate/Mo.</u>	<u>Mercury Vapor Rate/Mo.</u>	<u>Mercury Vapor Rate/Mo.</u>
1	\$7.88	\$7.90	\$0.02
2	\$9.54	\$9.56	\$0.02
3	\$10.95	\$10.97	\$0.02
4	\$13.23	\$13.26	\$0.03
5	\$27.29	\$27.34	\$0.05
6	\$11.73	\$11.75	\$0.02
7	\$14.24	\$14.27	\$0.03
8	\$24.26	\$24.31	\$0.05
9	\$7.96	\$7.98	\$0.02
10	\$8.94	\$8.96	\$0.02
	<u>Sodium Vapor Rate/Mo.</u>	<u>Sodium Vapor Rate/Mo.</u>	<u>Sodium Vapor Rate/Mo.</u>
11	\$8.04	\$8.06	\$0.02
12	\$9.18	\$9.20	\$0.02
13	\$9.22	\$9.24	\$0.02
14	\$11.82	\$11.84	\$0.02
15	\$15.16	\$15.19	\$0.03
16	\$26.94	\$26.99	\$0.05
17	\$10.79	\$10.81	\$0.02
18	\$12.90	\$12.93	\$0.03
19	\$14.80	\$14.83	\$0.03
20	\$27.18	\$27.23	\$0.05
21	\$7.37	\$7.38	\$0.01
22	\$8.39	\$8.41	\$0.02

**AGREEMENT FOR INVESTMENT IN A SOLAR PHOTOVOLTAIC AND MICROTURBINE
PROJECT AT THE PROPERTY OF SAU 16 IN EXETER, NEW HAMPSHIRE**

This Agreement is made effective the 17 day of August, 2010 (the "Effective Date") between Unitil Energy Systems, Inc. ("Unitil"), a New Hampshire Corporation, and Revolution Energy LLC ("RE"), a New Hampshire Limited Liability Company, (collectively, "the Parties").

RECITALS

WHEREAS, RE is constructing and will be operating a 100 kilowatt (kW) solar photovoltaic array ("PV System") mounted on property at the new Exeter High School Building, located at 1 Bluehawk Drive, Exeter, NH and one 65 kW Capstone microturbine ("Microturbine") combined heat and power unit meeting CARB 2007 emission limits installed at the Seacoast School of Technology, located at 40 Linden Street, Exeter, NH (together, the "PV System" and the "Microturbine" are referred to herein as "the Project"); and

WHEREAS, pursuant to the provisions of RSA 374-G and subject to the review of the New Hampshire Public Utilities Commission (the "Commission"), an electric public utility may invest in distributed energy resources, such as the Project being constructed by RE, and may seek rate recovery for such investments; and

WHEREAS, Unitil is proposing to invest two hundred thousand dollars (\$200,000) in the Project; and

WHEREAS, the Commission has issued Order No. 25,111 on June 11, 2010, approving Unitil's proposal for investment in the Project;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Unitil and RE, each intending to be legally bound, hereby agree as follows:

AGREEMENT

1. This Agreement shall be for 20 years unless modified by subsequent agreement of the parties or terminated in accordance with the termination provisions noted herein. The Microturbine, however may be decommissioned by RE after 15 years.
 - a. RE may buy out this Agreement at any time upon one year's notice, by making a payment to Unitil equal to the unamortized portion of Unitil's original investment. Unitil will be seeking approval from the NHPUC for a 20-year straight-line amortization of its investment (72.7% for the PV System and a 15-year straight-line amortization of its investment (27.3%) for the Microturbine.
 - b. In the event of a failure by RE to satisfy any of the terms of this Agreement, Unitil may demand, and RE shall provide immediate repayment of the unamortized portion of Unitil's original investment and the Parties shall terminate the Agreement when and if such payment is made.
2. RE shall grant Unitil a security interest in 28 kW of solar PV panels and the associated racking and equipment as well as in any educational equipment related to the project that is installed. This security interest will not apply to the 100 kW inverter or any other part of the Project. Unitil does not seek, and RE is not granting, by this Agreement or otherwise, an ownership interest in the Project, other than as described in paragraph 9, below.
3. RE shall assist in the collection and reporting of data from the Microturbine and PV System, as instructed by Unitil.
4. RE shall make the Microturbine available to be automatically dispatched by Unitil during periods when the generator would not normally be operating, in which case Unitil will compensate Exeter Region Cooperative School District ("ERCSD") for the incremental

- cost of natural gas for such generation, net of the value to ERCSD of the kWh produced.
5. RE is responsible for the design, construction, operation and maintenance of the Project in accordance with good business practice, including the satisfaction of any and all permitting and certification requirements of local, state and federal government agencies.
 6. RE shall assure that the Project will continue to operate as designed through the term of this Agreement. In the event of a change in operation, project structure or configuration, RE may comply with this provision by alternate means that provide equivalent value and are acceptable to Unitil. If RE fails to satisfy this provision, then Unitil may demand immediate repayment of the unamortized portion of its original investment.
 7. RE shall install a Unitil approved meter socket at the Microturbine and PV System between the Inverter and the Electric Panel.
 8. Unitil shall provide two-hundred thousand dollars (\$200,000.00) to RE upon completion of an inspection verifying that the Project is installed and operating. Funding may be made in partial payments proportional to the kW of generation in operation.
 9. Unitil shall be entitled to 100 percent of the value of any renewable energy certificates from the energy production of the PV System under any state, regional or federal Renewable Portfolio Standards and 100 percent of the value of any capacity credits available for the capacity of the Project in the wholesale power markets pursuant to regulations of the Independent System Operator – New England.
 10. Unitil makes no representations or warranties relative to the energy and/or demand performance of the PV System or Microturbine or relative to the financial costs or benefits to RE or ERCSD from the Project.
 11. Unitil will install the meters of its choice in the meter sockets referenced in section 7 above.

Limitation of Liability, Indemnification, and Insurance

12. Unitil's liability under this Agreement is expressly limited to the unamortized portion of its investment in the Project. Unitil and any of its affiliates, consultants, or contractors shall not be liable for any consequential or incidental damages or for any damages in tort (including negligence) caused by any activities or facilities associated with this Agreement.
13. In no event will Unitil and any of its affiliates, consultants, or contractors be liable to RE for any lost profits, lost savings or incidental, indirect, liquidated, special or consequential damages, arising out of RE's participation in this Agreement. Unitil's liability shall be limited to the amounts described in this Agreement.
14. Each Party shall hold harmless, and indemnify the other Party and its directors, officers, agents and employees against any and all loss, liability, damage, or expense, including any direct, indirect or consequential loss, liability, damage, or expense, but not including attorneys' fees unless awarded by a court of competent jurisdiction, for injury or death to persons, including employees of either party, and damage to property, including property of either party, arising out of or in connection with intentional, willful, wanton, reckless or negligent conduct regarding:
 - a. The engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Party's facilities; or
 - b. The making of replacements, additions, or improvements to, or reconstruction of,

the Party's facilities;

c. Neither Party shall be indemnified by this Agreement for any loss, liability, damage, or expense resulting from its sole negligence or willful misconduct; and

d. Notwithstanding the indemnity provisions contained in this Agreement, except for a Party's willful misconduct or sole negligence, each Party shall be responsible for damage to its own facilities from electrical disturbances or faults.

e. For purposes of this Agreement, Unitil's facilities are limited to the electric lines provided to interconnect the ERCSD as an electric customer and to the meters installed by Unitil.

15. RE agrees to maintain a general liability insurance policy of no less than \$1,000,000 for each occurrence and no less than \$2,000,000 general aggregate naming *Unitil Corporation and its subsidiaries* as additional insureds.

Representations and Warranties

16. Each Party represents and warrants to the other that:

(a) It has full legal authority to enter into this Agreement and to provide the services described herein, and neither the execution nor delivery of this Agreement nor performance of the services conflicts with or results in a breach of any applicable law or regulation or any agreement or instrument to which it is now a party; and

(b) In the performances of the services described herein; the Party will comply with all applicable laws and regulations of the United States and of any state or political subdivision thereof.

Miscellaneous Provisions

17. No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

18. Notice from one party to the other under this Agreement shall be deemed to have been properly delivered if forwarded by First Class Mail to RE or to Unitil at the following addresses:

If to Unitil:

Legal Counsel
Unitil Energy Systems, Inc.
6 Liberty Lane West
Hampton, NH 03801

If to RE:

Revolution Energy, LLC
2 Washington Street, Suite 206
Dover, NH 03820

19. Unitil shall provide written notice to RE should RE fail to comply with any terms in this Agreement. RE will have 30 days to cure any defect. In the event a defect is not timely cured, Unitil may cure such defect and any such costs to cure, including attorney's fees, shall be paid to Unitil by RE within 30 days of receiving an invoice from Unitil. If RE's failure pertains to maintenance and operation of the solar PV system, Unitil may exercise its security rights as stated herein.

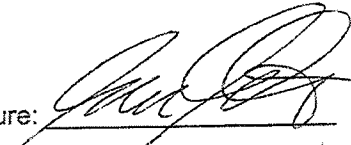
20. RE and Unitil agree that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.
21. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New Hampshire without regard to its conflicts of laws principles and any legal action will be adjudicated at a New Hampshire State court or New Hampshire administrative body of competent jurisdiction.
22. The invalidity or unenforceability of any provision of the provisions of this Agreement will not affect the validity or enforceability of its other provisions. Following a determination by a court or an administrative body of competent jurisdiction that any provision of this Agreement is invalid or unenforceable, the remaining provisions shall remain in full force and effect in accordance with their terms.
23. The provisions of this Agreement shall benefit and bind the successors and assigns of RE and Unitil as well as RE and Unitil.
24. Paragraph headings and other headings are for information only and are not made a part of this Agreement.
25. This Agreement sets forth the entire agreement between RE and Unitil. No other prior or contemporaneous written or oral agreement and no subsequent oral agreements between RE and Unitil will be binding on RE and Unitil.
26. This Agreement may be executed in two or more counterparts each of which shall constitute an original but all of which taken together shall constitute one in the same instrument.

WHEREFORE by signing below Unitil and RE execute this Agreement on the date(s) written below.

RE

UNITIL

Signature: 

Signature: 

Print Name: CLAY MITCHELL

Print Name: George Gunk

Title: PARTNER

Title: Senior Vice President

Date: 8/16/10

Date: 8/17/10

Address: 2 WASHINGTON ST
SUITE 206
DOVER NH 03820

Address: 6 Liberty Lane W
Hampden, NH 03842

Phone: 603 608 2521

Phone: 603-773-6569

FAX: _____

FAX: 603-773-6769

Email: CLAY@REU-EN.COM

Email: gunk@unitil.com

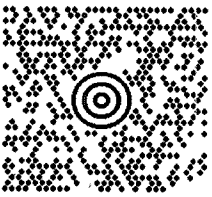

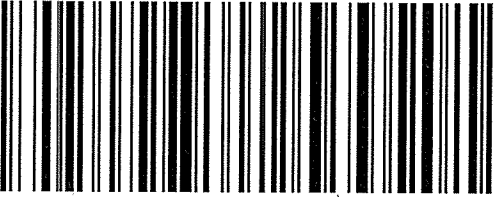

UPS CampussShip: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.
3. **GETTING YOUR SHIPMENT TO UPS Customers without a Daily Pickup**
Schedule a same day or future day Pickup to have a UPS driver pickup all your CampussShip packages.
Hand the package to any UPS driver in your area.
Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return ServicesSM (including via Ground) are also accepted at Drop Boxes.
To find the location nearest you, please visit the Resources area of CampussShip and select UPS Locations.

Customers with a Daily Pickup

Your driver will pickup your shipment(s) as usual.

FOLD HERE

C MACARTHUR UNITIL CORP LIBERTY LANE HAMPTON NH 03842		2 LBS PAK	1 OF 1
SHIP TO: MS. DEBRA HOWLAND 603 271 2431 NH PUBLIC UTILITIES COMMISSION SUITE 10 21 SOUTH FRUIT ST CONCORD NH 03301-2428			
	NH 031 9-01 		
UPS NEXT DAY AIR		1	
TRACKING #: 1Z E07 237 01 9370 9816			
			
BILLING: P/P			
Reference # 1: 10-265 UES DER/Exeter SAU 16 Projec			
CS 12.8.10. WXP1E70 09.0A 10/2010			

10/29/2010

UPS CampusShip: View/Print Label

1. **Print the label(s):** Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.
2. **Fold the printed label at the solid line below.** Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. GETTING YOUR SHIPMENT TO UPS

Customers without a Daily Pickup

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.

Hand the package to any UPS driver in your area.

Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, UPS Alliances (Office Depot® or Staples®) or Authorized Shipping Outlet near you. Items sent via UPS Return ServicesSM (including via Ground) are also accepted at Drop Boxes.

To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

Customers with a Daily Pickup

Your driver will pickup your shipment(s) as usual.

FOLD HERE

<p>C MACARTHUR UNITIL CORP LIBERTY LANE HAMPTON NH 03842</p> <p>SHIP TO: GERALD EATON, SR. ATTORNEY 603-669-4000 PUBLIC SERVICE CO OF NH P. O. BOX 330 780 N COMMERCIAL STREET MANCHESTER NH 03101-1134</p>	<p>NH 031 9-03</p> 	<p>UPS NEXT DAY AIR</p> <p>TRACKING #: 1Z E07 237 01 9228 5820</p> <p>1</p>		<p>BILLING: P/P</p> <p>Reference # 1: De 10-265 UES/DER/Exeter SAU 16</p> <p>CS 12.8.10. WXP1E70 09-0A 10/2010</p> 
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