Exh. UES-6

DE 09-236
UES #6

FILE

UNITIL ENERGY SYSTEMS, INC.

DE 09-236

STAFF 2ND SET DATA REQUESTS

PETITION TO ISSUE SECURITIES

Date Request Received: 12/22/09 **Date of Response: 12/29/09**

Request No. Staff 2-3 **Witness: David Chong**

Request:

Considering a) that the Waiver and Amendment is beyond what would typically be requested by UES for a "normal" debt issuance, and b) that UES believes the temporary fee provision has "little chance" of occurring; would UES be willing to hold customers harmless from both the 100 bps temporary fee and the 10bps waiver fee? Please explain.

Response:

Yes, UES is willing to hold customers harmless from the 100 bps temporary fee.

However, UES proposes that the 10 bps waiver fee be amortized over the life of the bonds (10 year maturity / 9-year average life), because UES views this as an issuance cost that is required to issue the bonds at this time at a favorable interest rate. As cited in response to Staff 2-2, the waiver fee adds about 7 bps to the all-in annual coupon rate. The all-in coupon rate for the bonds represents the lowest cost of all of UES' existing permanent capital and a very favorable result when viewed relative to historical debt market interest rates. This will have the affect of lowering electric rates to UES' customers over the long-term and further supports the Company's decision to seek a relatively low cost waiver in order to take advantage of very favorable debt markets at this time.