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March 14, 2008

BY HAND

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

Re: Unitil Energy Systems, Inc. Tariff Filing:
Annual Reconciliation and Rate Filing



Dear Ms. Howland:

On behalf of Unitil Energy Systems, Inc. ("UES"), enclosed please find an original and seven (7) copies of the following tariffs proposed to be applied to service rendered on and after May 1, 2008.

Second Revised Page 65, Calculation of the Stranded Cost
Second Revised Page 67, Calculation of the External Delivery Charge

In support and explanation for the tariffs, the filing includes an original and seven (7) copies of the prefiled direct testimony and schedules of:

1. Karen M. Asbury, describing the proposed changes to UES' rates effective May 1, 2008 along with the associated bill impacts.
2. Francis X. Wells, describing the costs associated with each rate mechanism.

As described in detail in the testimonies and supporting schedules, UES' filing is designed to implement its adjustable rate mechanisms consistent with its tariffs that were

approved in DE 01-247, Proposal to Restructure the Unitil Companies. Specifically, UES proposes changes effective May 1, 2008 to its Stranded Cost Charge and External Delivery Charge. Simultaneous with this filing, UES is submitting to the Commission its Non-G1 (all classes except G1) and G1 class Default Service tariff filing for rates effective May 1, 2008.

The proposed rates are summarized in the table below. In addition, a comparison to the rates currently in effect is provided on Pages 1 through 3 of Schedule KMA-4, accompanying the Testimony of Karen M. Asbury along with the average class bill impacts for customers taking Default Service on Schedule KMA-4, Page 4. The proposed Default Service class rates have been included in all bill comparisons in order to fully reflect changes to all of UES' rates proposed for effect on May 1, 2008.

<u>Class</u>	<u>Stranded Cost Charge</u>	<u>External Delivery Charge</u>	<u>Default Service Charge</u>
Residential	\$0.00882/kWh	\$0.01131/kWh	Filed under separate cover
General Service G2 (kWh rates)	\$0.00882/kWh	\$0.01131/kWh	Filed under separate cover
General Service G2	\$1.55/kW and \$0.00298/kWh	\$0.01131/kWh	Filed under separate cover
Large General Service	\$2.25/kVA and \$0.00267/kWh	\$0.01131/kWh	Filed under separate cover
Outdoor Lighting	\$0.00882/kWh	\$0.01131/kWh	Filed under separate cover

Average class bill impacts for customers taking Default Service are 8.2% increases for the residential class, 8.3% increases for the regular general service class, 12.8%

increases for the large general service class, and 4.9% increases for the outdoor lighting class. The increases are mostly due to increases in the Default Service Charge. The net of the Stranded Cost Charge and External Delivery Charge impacts by class which are included with this filing are a 3.1% increase for the residential class, 3.1% increase for the regular general service class, a 4.1% increase for the large general service class, and 1.8% increase for the outdoor lighting class. These increases are mainly due to an increase in the External Delivery Charge.

As directed in the Commission's Order No. 23,707 in DE 01-087 regarding Load Response Programs, UES was instructed to "...include in their FAC/PPAC filings the results of the Load Response Program as well as expense information and verification that only costs attributable to Unitil's regulated companies are included." No customers of UES are participating in the program under UES' tariff and therefore no initial program setup fees or ongoing monthly administrative costs are being incurred. Therefore, there are no such costs included for recovery in this filing. Note, however, that UES incurs charges that are reflected in this filing. These charges are billed by ISO New England under the ISO tariff for general costs related to load response.

Please do not hesitate to telephone me with any questions. Thank you for your assistance with this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Meabh Purcell', is written over a light gray rectangular background.

Meabh Purcell
Counsel for
Unitil Energy Systems, Inc.

Enclosures

Cc: Mary Coleman, NHPUC
Edward Damon, NHPUC
Steve Mullen, NHPUC
Meredith Hatfield, OCA
Ken Traum, OCA