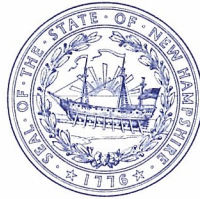


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March 9, 2010

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street Suite 10
Concord, New Hampshire 03301



Re: Docket No. DE 09-137
Unitil Energy Systems, Inc.
Petition for Approval of Investment in Distributed Energy Resources
Staff Response to Commission Request for Updated Economic Evaluations

Dear Ms. Howland:

During the March 3, 2010 hearing in the above docket, the Commission requested that Staff and the Company update their economic evaluations of the SAU 16 project using the methodology that each used to evaluate the restructured Stratham project. In addition, the Commission requested an evaluation of the combined Stratham and SAU 16 projects. Attached for the Commission's consideration is Staff's response to those requests.

Attachment 1 is an evaluation of the solar pv component of the SAU 16 project based on the Total Resource Cost (TRC) Test. Attachment 2 is the same for the microturbine component of the SAU 16 project. Unlike the TRC Test, which evaluates cost-effectiveness from the standpoint of the utility and the participating customer, the non-participant test evaluates cost-effectiveness from the standpoint of customers that do not participate in the project directly. This analysis is conducted in Attachment 3 for the SAU 16 project. In Attachment 4, we present an evaluation of the combined Stratham and SAU 16 projects based on the non-participant test. Since the Stratham project is located on the utility side of the meter and the SAU 16 project on the customer side, the analysis combines the total costs and benefits for the Stratham project with the non-participant costs and benefits for the SAU 16 project.

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Also attached for the Commission's benefit is a list of the key assumptions used in the evaluations.

Thanks you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Amidon', with a stylized, flowing script.

Suzanne G. Amidon, Esq.
Staff Attorney

Enclosure
Service List