



December 22, 2017

**Via Overnight Delivery and Electronic Mail**

Debra A. Howland  
Executive Director and Secretary  
N.H. Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, N.H. 03301

NHPUC 26DEC'17AM11:51

RE: Docket DE 14-216: CORE Energy Efficiency Programs

Dear Ms. Howland,

On behalf of Northern Utilities, Inc. ("Unitil" or the "Company") I enclose four (4) copies of Unitil's Revised Annual Report for the Company's 2016 energy efficiency program. The Company submitted its initial Annual Report on May 31, 2017. The Commission's Audit Staff subsequently conducted an audit of the books and records related to the 2016 CORE Energy Efficiency Program. Northern's enclosed Revised Annual Report reflects the Audit Staff's findings. Changes appear in yellow highlighted text.

If you have any questions regarding this filing, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Patrick Taylor", written over a horizontal line.

Patrick Taylor  
Senior Counsel

Enclosures

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Patrick Taylor  
Senior Counsel  
taylorp@unitil.com

6 Liberty Lane West  
Hampton, NH 03842

**REVISED**

**Total Resource Benefit Cost Analysis**  
 Summary of Benefit, Costs Program Year 2016

	TRC Benefit/ Cost	TRC Net Benefits	Total Benefits (\$000)	Total Costs (\$000)	PA Costs (\$000)	Participant Costs (\$000)	Annual MMBTU Savings	Lifetime MMBTU Savings	Partici- pants
<b>Residential</b>									
Home Energy Assistance	0.71	(\$67)	\$165.364	\$232.459	\$232.459	\$0.000	1,011	19,593	29
EnergyStar® Homes	1.42	\$79	\$267.940	\$188.632	\$90.656	\$97.975	1,141	27,939	20
HP w/EnergyStar®	0.93	(\$14)	\$192.392	\$206.649	\$125.903	\$80.747	1,054	22,180	33
EnergyStar® Products	1.18	\$108	\$697.398	\$589.103	\$338.983	\$250.120	4,656	84,115	486
Res Education				\$9.110	\$9.110	\$0.000			
<b>Subtotal: Residential</b>	<b>1.08</b>	<b>\$106</b>	<b>\$1,323.095</b>	<b>\$1,225.952</b>	<b>\$797.110</b>	<b>\$428.842</b>	<b>7,861</b>	<b>153,827</b>	<b>568</b>
<b>Commercial &amp; Industrial</b>									
Large Business Energy Solutions	1.89	\$724	\$1,532.850	\$809.185	\$318.458	\$490.727	11,252	218,056	44
Small Business Energy Solutions	2.47	\$483	\$811.899	\$328.492	\$210.949	\$117.543	5,483	107,298	85
C&I Education				\$6.929	\$6.929	\$0.000			
<b>Subtotal: Commercial &amp; Industrial</b>	<b>2.05</b>	<b>\$1,207</b>	<b>\$2,344.749</b>	<b>\$1,144.605</b>	<b>\$536.335</b>	<b>\$608.270</b>	<b>16,735</b>	<b>325,354</b>	<b>129</b>
<b>Grand Total</b>	<b>1.55</b>	<b>\$1,313</b>	<b>\$3,667.844</b>	<b>\$2,370.558</b>	<b>\$1,333.445</b>	<b>\$1,037.112</b>	<b>24,596</b>	<b>479,181</b>	<b>697</b>

**REVISED**

## Performance Incentive Calculation 2016

		<u>Actual</u>	<u>Plan</u>
<b>Commercial/Industrial</b>			
1. Benefit/Cost Ratio	Note 1	<b>1.97</b>	<b>1.71</b>
2. Threshold Benefit/Cost Ratio		1.00	
3. Lifetime MMBTU savings		325,354	375,786
4. Threshold MMBTU savings (65%)			244,261
5. Implementation Expenses		\$536,335	\$570,030
6. Benefit / Cost Percentage of Budget		4.60%	4.00%
7. Lifetime MMBTU Percentage		3.48%	4.00%
<b>8. C/I Performance Incentive</b>		<b>\$43,336</b>	<b>\$45,602</b>
9. C&I Cap (12%)			\$68,404
<b>Residential</b>			
10. Benefit/Cost Ratio	Note 1	<b>1.03</b>	<b>1.16</b>
11. Threshold Benefit/Cost Ratio		1.00	1.00
12. Lifetime MMBTU savings		153,827	166,018
13. Threshold MMBTU savings (65%)			107,912
14. Implementation Expenses	Note 2	<b>\$797,110</b>	\$777,617
15. Benefit / Cost Percentage of Budget		3.56%	4.00%
16. Lifetime MMBTU Percentage		3.72%	4.00%
<b>17. Residential Performance Incentive</b>	Note 3	<b>\$58,030</b>	<b>\$62,209</b>
18. C&I Cap (12%)			\$93,314
<b>19. Total Performance Incentive</b>		<b>\$101,366</b>	<b>\$107,811</b>

**Notes:**

1. Note that in the Plan filing, the Plan B/C ratio on Attachment GG Page 2 of 3 was mis-stated as 1.76 for the C&I Sector and 1.22 for the Residential Sector due to an error in the calculation. The B/C ratio in the Plan on Attachment GG page 3 of 3 is correctly stated at 1.71 for the C&I Sector and 1.16 for the Residential Sector.
2. Actual Residential Implementation Expenses were revised to reflect reclass payment of \$12,990 rather than \$12,500 as originally filed.
3. The actual Residential PI was updated to reflect revised implementation expenses in Line 14.

**REVISED**

**Planned Versus Actual Benefit / Cost Ratio by Sector  
2016**

	<u>Actual</u>	<u>Planned</u>
<b>Commercial &amp; Industrial:</b>		
1. Benefits (Value) From Eligible Programs	\$ 2,344,749	\$ 2,642,271
2. Implementation Expenses	\$ 536,335	\$ 570,030
3. Customer Contribution	\$ 608,270	\$ 927,063
4. Performance Incentive	\$ 43,336	\$ 45,602
5. Total Costs (Including PI)	\$ 1,187,941	\$ 1,542,695
6. Benefit/Cost Ratio - C&I Sector	<b>1.97</b>	<b>1.71</b>
 <b>Residential:</b>		
7. Benefits (Value) From Eligible Programs	\$ 1,323,095	\$ 1,421,489
8. Implementation Expenses Note 1	\$ 797,110	\$ 777,617
9. Customer Contribution	\$ 428,842	\$ 389,318
10. Performance Incentive Note 2	\$ 58,030	\$ 62,209
11. Total Costs (Including PI)	\$ 1,283,982	\$ 1,229,144
12. Benefit/Cost Ratio - Residential Sector	<b>1.03</b>	<b>1.16</b>

**Notes:**

1. Actual Residential Implementation Expenses were revised to reflect reclass payment of \$12,990 rather than \$12,500 as originally filed.
2. The actual Residential PI was updated to reflect revised implementation expenses (Line 14).

**REVISED**

**Unitil Gas  
 2016 Energy Efficiency Charge Fund Reconciliation**

			<u><b>Total 2016</b></u>
1. Beginning Balance: 1/1/2016	(Over)/Under	\$	(176,315)
<b>Revenues</b>			
2. Energy Efficiency Charge Revenue		\$	1,230,230
3. Interest		\$	13,400
4. Total Funding	Σ Lines 2 - 3	\$	1,243,630
<b>Expenses</b>			
5. Program Expenses		\$	1,333,446
6. PI - Current Year Estimate		\$	107,812
7. PI - Prior Year(s) True-Up		\$	3,969
8. Total Expenses	Σ Lines 5 + 6 + 7	\$	1,445,227
9. Ending Balance: 12/31/2016	Lines 1 - 4 + 8	\$	25,281
<b>Ending Balance Adjusted for Current Year Actual PI</b>			
10. Actual Performance Incentive - 2016	Attachment G-G	\$	101,366
11. Ending Balance w/ Actual PI	Lines 9 - 6 + 10	\$	18,835

**Notes:**

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- Line 5: Revised to reflect removal of \$12,990 overpayment. Rather than \$12,500 as originally filed.  
 Line 6: PI Current Year Estimate is budgeted performance incentive  
 Line 7: PI Prior Year(s) True-Up includes adjustment for 2015 earned performance incentive.  
 Line 10: Actual Performance Incentives is the actual earend PI as shown in Attachment G-G. 10/23/2017 - Updated to reflect revised Program