

March 1, 2016

BY OVERNIGHT DELIVERY and E-MAIL

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

Re:

DE 16-____ Unitil Energy Systems, Inc.

Annual Report pursuant to the DE 10-055 Settlement Agreement

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 Company's Reliability Enhancement Program ("REP") and Vegetation Management Program ("VMP") Annual Report pursuant to the provisions of the Settlement Agreement approved by the New Hampshire Public Utilities Commission in Docket No. DE 10-055. As noted by the Commission in Order No. 25,656 in DE 14-063 (at page 6), although the May 1, 2014 step adjustment was the final step adjustment associated with the Settlement Agreement, UES is to continue the REP/VMP activities for the five-year period established by the Settlement Agreement and to file annual REP and VMP reports as required.

This filing also includes the information required by the Settlement Agreement related to earnings sharing¹ and exogenous events.² As described in the attached Explanation of Filing, there are no rate changes required associated with earnings sharing or exogenous events.

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: Donald M. Kreis, Consumer Advocate (2 copies)

Gary Epler Chief Regulatory Counsel epler@unitil.com 6 Liberty Lane West Hampton, NH 03842

¹ Settlement Agreement, Section 5

² Settlement Agreement, Section 11