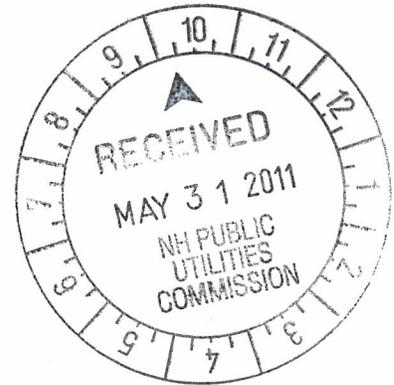




May 27, 2011

**By Electronic and Overnight Mail**

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

**RE: Docket No. DE 09-170
Unitil Energy Systems, Inc. - Calculation of 2010 Shareholder Incentive**

Dear Director Howland:

Enclosed for filing in the above captioned docket is the calculation of the shareholder incentive ("SHI") for Unitil Energy Systems, Inc. ("Unitil" or "Company") CORE energy efficiency ("EE") programs approved by Commission Order No. 25,062 on January 5, 2010 and operated from January 1, 2010 through December 31, 2010. The SHI was calculated in accordance with the methodology developed by the Energy Efficiency Working Group and approved by the Commission in Order No. 23,574, November 1, 2000. Further, the SHI was limited to the budgeted amount of 8% as directed under DE 09-170, Commission Order No. 25,099.

In total, Unitil's earned SHI equals \$191,622 or 7.4% of the Company's 2010 EE budget. By sector, the residential SHI is \$105,223 or 8.0% of the residential EE budget. The commercial and industrial SHI is \$86,399 or 6.9% of the commercial and industrial EE budget.

Unitil has included the following attachments: *Staff Recommended Performance Incentive Methodology* (as provided to the Company by Staff following its submittal of the Company's 2008 Gas SHI under DG 06-036 and DG 09-167) and *Attachment B – 2010 Shareholder Incentive Calculation* which provides the detailed calculation of the Company's projected and actual SHI and includes the projected and actual benefit/cost ratios and lifetime savings by sector.

If you require more information in this matter, please contact me at (603) 294-5172 or palma@unitil.com.

Thank you for your attention to this matter.

Regards,

A handwritten signature in blue ink that reads "T. Palma".

Thomas Palma, Esq.
Manager, Distributed Energy Resources

Enclosure

Thomas Palma, Esq.
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Distributed Energy Resources
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Fax: 603-294-5272