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N.H.P.U.C. Case No.	DE 12-055
Exhibit No.	#1
Witness	Pang P.

February 29, 2012

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

Re: DE 12-____ Unitil Energy Systems, Inc

Tariff Filing: Step Adjustment Effective May 1, 2012 pursuant to the Settlement Agreement approved in Docket No. DE 10-055

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 following tariffs¹ proposed to be applied on service rendered on and after May 1, 2012.

- Sixth Revised Page 48, Domestic Delivery Service, Schedule D
- Fifth Revised Page 51, Sixth Revised Pages 52-53, General Delivery Service, Schedule G
- Fifth Revised Page 59-60, Outdoor Lighting Service, Schedule OL

Copies of the redlined tariffs are also attached.

As described in the attached Explanation of Filing, these tariff pages are intended to implement the provisions of the Settlement Agreement approved by the New Hampshire Public Utilities Commission in Docket No. DE 10-055 which provides for a step adjustment effective May 1, 2012. The step adjustment reflects 75 percent of actual changes to non-Reliability Enhancement Program ("REP") net plant in service between December 31, 2010 and December 31, 2011; adjustments for the REP and Vegetation Management Program ("VMP"), removal of recoupment, and an adjustment for the final amount of rate case expense reflected in the final audit report. As explained in further detail in the filing, UES requests funding to undertake a VMP storm hardening pilot program for a one-time cost of \$535,000 which is reflected in the VMP adjustments.

In support of the step adjustment, this filing contains the following reports and schedules:

¹ Tariff pages 4-6 are rate summaries and will be filed as compliance tariff pages since other rate components for effective May 1, 2012 are pending in other docket

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Explanation of Filing
REP and VMP Annual Report 2011²
Schedule 1: Calculation of Changes in Non-REP Net Plant in Service
Schedule 2: May 1, 2012 Step Adjustment Revenue Requirement
Schedule 3: Rate Design³
Schedule 4: Bill Impacts

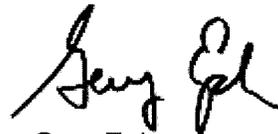
UES is prepared to provide any additional details as may be required.

This filing also includes the information required by the Settlement Agreement related to earnings sharing⁴ (Schedule 5) and exogenous events⁵. As described in the Explanation of Filing, there are no rate changes required associated with earnings sharing or exogenous events.

As shown on Schedule 4, page 1, a residential customer on Default Service using 600 kWh will see a bill increase of \$0.86 per month or 1.0% as result of these changes. Bill impacts for other rate classes are similar, but vary based on consumption level and pattern. The monthly bill impact associated with the VMP storm hardening pilot is \$0.39 or 0.5% for a 600 kWh residential customer on Default Service.

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: Lynn Fabrizio, Staff Counsel
Office of Consumer Advocate (2 copies)
Rorie Hollenberg, OCA Counsel

² The report includes fuse and recloser studies and reviews as required by the Settlement Agreement, Section 7.6.1

³ UES has removed the rate case expense recovery rate of \$0.00034 per kWh which ends on April 30, 2012 in its rate design.

⁴ Settlement Agreement, Section 5

⁵ Settlement Agreement, Section 11