

Orr&Reno

Rachel Aslin Goldwasser

rgoldwasser@orr-reno.com

Direct Dial 603.223.9163

Direct Fax 603.223.9063

Admitted in NH and ME

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VIA HAND-DELIVERY AND ELECTRONIC MAIL

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

RE: Unitil Energy Systems, Inc. Energy Efficiency Programs, Docket 12-262
Programs Projected to be Over Budget

Dear Director Howland:

Please accept this letter on behalf of Unitil Energy Systems, Inc. (“UES” or the “Company”) requesting approval, pursuant to Section I(K) of the 2013-2014 CORE New Hampshire Energy Efficiency Programs Plan approved by Order No 25,462, for a transfer of funds between programs within the Residential Sector in order to meet year-end demand for the Home Performance with ENERGY STAR (HPwES) program.¹

Due to an overwhelming response in the 2014 HPwES program, the Company requests approval for a \$69,000 total transfer into the HPwES program from the ENERGY STAR Homes and K-12 Education programs. Because the transfer to the HPwES program and the transfer from of the ENERGY STAR Homes program are both more than 20% of their respective budgets, they require approval by Commission pursuant to Section I(K) of the 2013-2014 CORE New Hampshire Energy Efficiency Programs Plan.

¹ Section I(K) of the Settlement Agreement indicates: “Budget transfers to or from individual programs greater than 20% of the individual program’s budget shall be filed with the Commission. The Commission’s Staff and interested parties may file any comments with the Commission within two weeks of the filing. If no action has been taken by the Commission’s Staff and interested parties, the budget transfer request shall be deemed approved unless the Commission notifies the company of the need for a more in-depth review within thirty (30) days of the filing.” *See also* Correspondence from Marcia Thunberg to Director Howland in Docket No. DE 12-262 (Dec. 11, 2013).

The below table reflects the 2014 CORE New Hampshire Energy Efficiency Programs budgets reflected in the Company's 2014 filing and amounts to be transferred to and from programs.

Program	Approved Budget	20% Transfer Threshold	Amount Requested To/(From)	Total % Requested
Home Performance with Energy Star	\$216,667	\$43,333	\$69,000	32%
Energy Star Homes	\$195,000	\$39,000	(\$60,000)	-31%
K-12 Education	\$45,000	\$9,000	(\$9,000)	-20%

Greater demand for HPwES services in 2014 than in 2013 is attributable in part to the engagement of additional weatherization contractors within our territory. In addition, the colder than average 2013-14 winter is likely responsible for a heightened interest among homeowners in weatherizing their homes. Anticipating sustained interest for this program, the Company has increased its HPwES budget from \$211k in 2013 and \$217k in 2014 to \$323k proposed for 2015 in Docket No. DE 14-216.

The requested transfers will permit the Company to undertake cost-effective energy efficiency projects within the residential sector pursuant to RSA 374-F:3 and are designed to permit the HPwES program to remain open, promoting consistency. *Electric Utility Restructuring*, Order No. 23,574, 85 NH PUC 684, 691, 693 (2000) (citing RSA 374-F:3, X).

Please feel free to contact me if you have any questions or concerns.

Regards,



Rachel Goldwasser

cc: DE 12-262 Service List

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