

Program Cost Effectiveness - 2014 Actual

January 1, 2014 - December 31, 2014 TRC BENEFIT COST TEST

Northern Utilities Gas Energy Efficiency

Summary of Benefit, Costs Program Year 2014 (January 1, 2014 - December 31, 2014)

Total Resource Cost Test

Programs	TRC Benefit / Cost	TRC Net Benefits	Total Benefits (\$000)	Total Costs (\$000)	Utility Costs (\$000)	Participant Costs (\$000)	Annual MMBTU Savings	Lifetime MMBTU Savings	Participants
Residential									
ENERGY STAR Homes	1.7	\$ 103.373	\$ 256.039	\$ 152.666	\$ 62.669	\$ 89.997	884	20,569	11
Gas Home Perf w ENERGY STAR	1.3	\$ 58.777	\$ 230.367	\$ 171.591	\$ 102.643	\$ 68.947	1,127	23,544	27
Res Heating & Water Heating Equip	1.2	\$ 116.947	\$ 719.380	\$ 602.829	\$ 324.616	\$ 278.213	4,539	82,838	634
Low Income Home Energy Assistan	1.7	\$ 134.743	\$ 335.958	\$ 201.215	\$ 201.215	\$ -	1,657	37,226	89
Residential Education		\$ (2.511)	\$ -	\$ 2.511	\$ 2.511	\$ -	-	-	-
Residential Energy Code Training		\$ (1.565)	\$ -	\$ 1.565	\$ 1.565	\$ -	-	-	-
Residential Loan Buydown		\$ (2.095)	\$ -	\$ 2.095	\$ 2.095	\$ -	-	-	-
Subtotal Res & LI	1.4	\$ 407.7	\$ 1,541.7	\$ 1,134.5	\$ 697.3	\$ 437.2	8,207	164,176	761
Commercial & Industrial									
Large Business Energy Solutions	1.7	\$ 885.7	\$ 2,257.0	\$ 1,365.6	\$ 275.1	\$ 1,091	19,772	324,911	9
Small Business Energy Solutions	1.6	\$ 200.3	\$ 524.8	\$ 324.5	\$ 188.8	\$ 136	3,433	74,307	51
C&I Codes, Energy Audits, Education		\$ -	\$ -	\$ 5.6	\$ 5.6	\$ -	-	-	-
Subtotal C&I	1.6	\$ 1,086.0	\$ 2,781.7	\$ 1,695.7	\$ 469.5	\$ 1,226.2	23,205	399,219	60
Total	1.5	\$ 1,493.7	\$ 4,323.5	\$ 2,830.2	\$ 1,167	\$ 1,663.4	31,413	563,394	821

Note: Costs do not include PI, which are a function of the sectors as a whole, therefore B/C ratios will not be identical to those on the PI Calculation worksheets.

Program Cost Effectiveness - 2014 Plan

January 1, 2014 - December 31, 2014 TRC BENEFIT COST TEST

Northern Utilities Gas Energy Efficiency

Summary of Benefits and Costs Program Year Plan 2014 (January 1, 2014 - December 31, 2014)

Programs	TRC Benefit / Cost	TRC Net Benefits	Total Benefits (\$000)	Total Costs (\$000)	Utility Costs (\$000)	Participant Costs (\$000)	Annual MMBTU Savings	Lifetime MMBTU Savings	Participant
Residential									
ENERGY STAR Homes	1.1	\$ 2.5	\$ 175.9	\$ 166.6	\$ 80.0	\$ 86.6	792	17,537	13
Gas Home Perf w ENERGY STAR	1.3	\$ 31.5	\$ 162.8	\$ 124.6	\$ 80.0	\$ 44.6	849	17,928	19
Res Heating & Water Heating Equipment	1.1	\$ 7.1	\$ 643.7	\$ 603.1	\$ 400.0	\$ 203.1	3,964	75,533	410
Low Income Home Energy Assistance	1.4	\$ 84.1	\$ 334.7	\$ 232.1	\$ 232.1	\$ -	1,829	37,039	43
Residential Education	NA	\$ (7.0)	\$ -	\$ 7.0	\$ 7.0	\$ -	-	-	-
Residential Energy Code Training	NA	\$ (3.0)	\$ -	\$ 3.0	\$ 3.0	\$ -	-	-	-
Building Practices & Demo	NA	\$ (17.0)	\$ -	\$ 17.0	\$ 17.0	\$ -	-	-	-
Subtotal Res & LI	1.1	\$ 98.181	\$ 1,317.038	\$ 1,153.331	\$ 819.069	\$ 334.262	7,434	148,037	485
Commercial & Industrial									
Large Business Energy Solutions	3.3	\$ 1,974.8	\$ 2,860.3	\$ 860.9	\$ 304.0	\$ 556.9	22,349	414,375	13
Small Business Energy Solutions	1.8	\$ 314.9	\$ 762.9	\$ 427.6	\$ 252.5	\$ 175.2	5,053	106,504	139
C&I Codes, Energy Audits, Education	NA	\$ (6.0)	\$ -	\$ 6.0	\$ 6.0	\$ -	-	-	-
Subtotal C&I	2.8	\$ 2,283.7	\$ 3,623.2	\$ 1,294.5	\$ 562.5	\$ 732.1	27,402	520,879	152
Total	2.0	\$ 2,381.9	\$ 4,940.2	\$ 2,447.8	\$ 1,381.5	\$ 1,066.3	34,836	668,916	637

Performance Incentive Calculation - 2014 Annual Report
Northern Utilities Gas Energy Efficiency
January 1, 2014 - December 31, 2014

Commercial/Industrial Incentive

	<u>Planned</u>	<u>Actual</u>
1. Benefit/Cost Ratio	2.70	1.62
2. Threshold Benefit/Cost Ratio	1.00	
3. Lifetime MMBTU	520,879	399,219
4. Threshold MMBTU	338,571	
5. Budget / Actual not including PI	\$562,450	\$469,495
6. Cost Effective Percentage	4.00%	2.34%
7. Lifetime MMBTU Percentage	4.00%	3.07%
8. C&I Incentive	\$44,996	\$25,401
9. Cap (12% of total spending)	\$67,494	

Residential Incentive

10. Benefit/Cost Ratio	1.08	1.29
11. Threshold Benefit/Cost Ratio	1.00	
12. Lifetime MMBTU	148,037	164,176
13. Threshold MMBTU	96,224	
14. Budget / Actual not including PI	\$819,069	\$697,314
15. Cost Effective Percentage	4.00%	4.76%
16. Lifetime MMBTU Percentage	4.00%	4.44%
17. Residential Incentive	\$65,526	\$64,128
18. Cap (12% of total spending)	\$98,288	
19. TOTAL INCENTIVE	\$110,522	\$89,528
20. TOTAL INCENTIVE CAP	\$165,782	
21. Total Implementation Expenses	\$1,381,519	\$1,166,809
22. Total Program Expenses (incl PI)	\$1,492,041	\$1,256,337

Notes:

The performance incentive is based on (for planning) 8% of total program costs and (for actual) the earned % of total program costs based on two components. The BCR component of earned PI is calculated by comparing the actual benefit/cost ratio (BCR) to the planned BCR. The MMBtu component of earned PI is calculated by comparing actual MMBtu savings from gas to planned MMBtu savings from gas. Detailed calculations for each of these components is included on the following pages of this Annual Performance Report.

Planned v Actual Benefits and Costs - 2014 Annual Report
Northern Utilities Gas Energy Efficiency
January 1, 2014 - December 31, 2014

Commercial & Industrial:	<u>Planned</u>	<u>Actual</u>
1. Benefits (Value) From Eligible Programs	\$3,623,182	\$2,781,740
2. Budget / Actual not including PI	\$562,450	\$469,495
3. Customer Contribution	\$732,067	\$1,226,216
4. Total Performance Incentive	\$44,996	\$25,401
5. Total Costs Including Shareholder Incentive	<u>\$1,339,513</u>	<u>\$1,721,112</u>
6. Benefit/Cost Ratio - C&I Sector	2.70	1.62
Residential:		
7. Benefits (Value) From Eligible Programs	\$1,317,038	\$1,541,745
8. Budget / Actual not including PI	\$819,069	\$697,314
9. Customer Contribution	\$334,262	\$437,158
10. Performed Incentive	\$71,223	\$64,128
11. Total Costs Including Shareholder Incentive	<u>\$1,224,554</u>	<u>\$1,198,599</u>
12. Benefit/Cost Ratio - Residential Sector	1.08	1.29

Line No. Notes:

- 1) Line 1 = the lifetime dollar value of all energy and non-energy benefits resulting from program activity, based on values from the 2013 Avoided Cost Study.
- 2) Line 2 = the Company's total energy efficiency expenditures in 2014, not including PI.
- 3) Line 3 = the share of energy efficiency project costs born by participating customers.

Planned v Actual MMBtu by Program - 2014 Annual Report
Northern Utilities Gas Energy Efficiency
January 1, 2014 - December 31, 2014

	Lifetime MMBtu Savings		% MMBtus Achieved
	<u>Planned</u>	<u>Actual</u>	
Commercial and Industrial			
Large Business Energy Solutions	414,375	324,911	
Small Business Energy Solutions	106,504	74,307	
Total C&I MMBtu Savings	520,879	399,219	77%
Residential (incl Low Income)			
ENERGY STAR Homes	17,537	20,569	
Home Performance with ENERGY STAR	17,928	23,544	
ENERGY STAR Appliances	75,533	82,838	
Home Energy Assistance	37,039	37,226	
Total Residential MMBtu Savings	148,037	164,176	111%
Total	668,916	563,394	84%

Reconciliation - 2014 Annual Report

Northern Gas Energy Efficiency

January 1, 2014 - December 31, 2014

Unitil Gas 2014 Energy Efficiency Charge Fund Reconciliation

		<u>Actual</u>	<u>Budgeted</u>
1. Beginning Balance: 1/1/2014		\$ (42,551)	
Revenues			
2. Energy Efficiency Charge Revenue		\$ 1,412,414	
3. Interest		\$ 14,625	
4. Total Funding	Σ Lines 2 - 3	\$ 1,427,039	\$ -
Expenses			
5. Program Expenses		\$ 1,166,809	
6. PI Actual / Budgeted		\$ 89,528	\$ 110,522
7. PI True-Up		\$ (10,209)	
8. Total Expenses	Σ Lines 5 + 6 + 7	\$ 1,246,128	
Ending Balance: 12/31/2014	Lines 1 - 4 + 8	\$ (223,462)	\$ (202,468)

Notes:

1. Line 6 Shows the Actual PI as calculated in this Annual Report, as well as the amount of PI that was budgeted for in the Company's 2014 Plan.
2. Values in parantheses indicate an overcollection, or more revenues than were needed to cover expenses.

Program Cost Effectiveness - 2014 Actual

Unitil Electric Energy Efficiency

January 1, 2014 - December 31, 2014 Cost Effectiveness

Summary of Program Cost Effectiveness - 2014 Actual

	Total Resource Benefit/Cost Ratio	Total Benefit (\$000)	Total Utility Costs (\$000)	Total Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served	Annual MMBTU Savings	Lifetime MMBTU Savings
Residential Programs											
ENERGY STAR Homes	2.3	\$ 565	\$ 122	\$ 122	78	1,781	95	78	18	672	15,865
Home Performance with Energy Star	2.2	\$ 1,083	\$ 285	\$ 208	43	861	18	43	77	1,932	41,042
ENERGY STAR Lighting	1.3	\$ 660	\$ 218	\$ 277	646	9,157	236	646	32,190	-	-
ENERGY STAR Appliances	2.4	\$ 1,150	\$ 276	\$ 200	440	4,630	76	440	2,682	1,670	25,436
Home Energy Assistance	1.2	\$ 585	\$ 484	\$ -	60	932	8	60	59	1,081	21,093
Res K-12 Education & Code Training		\$ -	\$ 15	\$ -	-	-	-	-	-	-	-
Residential Financing		\$ -	\$ -	\$ -	-	-	-	-	-	-	-
ISO-Related Expenses Res/LI		\$ -	\$ 10	\$ -	-	-	-	-	-	-	-
Subtotal Residential	1.8	\$ 4,043	\$ 1,410	\$ 807	1,268	17,362	433	1,268	35,026	5,355.9	103,435
Commercial/Industrial Programs											
Large C&I Business	2.3	\$ 3,358	\$ 715	\$ 763	3,078	43,290	304	3,078	13	50	750
Small C&I Business	4.0	\$ 2,243	\$ 505	\$ 55	1,577	25,816	171	1,577	89	-	-
Municipals	1.9	\$ 306	\$ 121	\$ 41	190	2,763	45	190	8	0	0
C&I Education, Codes & Audits		\$ -	\$ 4	\$ -	-	-	-	-	-	-	-
ISO-Related Expenses C&I		\$ -	\$ 5	\$ -	-	-	-	-	-	-	-
Subtotal C&I	2.7	\$ 5,907	\$ 1,350	\$ 859	4,845	71,869	520	4,845	110	50	750
Total	2.2	\$ 9,950	\$ 2,760	\$ 1,666	6,113	89,230	953	6,113	35,136	5,406	104,185

Note: Total Utility Costs do not include PI, which are a function of the sectors as a whole, therefore B/C ratios will not be identical to those on the PI Calculation worksheets.

4) Line 4 = the calculated performance incentive based on (for planning) 7.5% of total program costs, and (for actual) the earned % of total program costs based on two components. The BCR comp

Annual kWh Savings	6,112,795	79.4%	kWh > 55%	Lifetime kWh Savings	89,230,314	74.5%	kWh > 55%
Annual MMBTU Savings (in kWh)	1,584,316	20.6%		Lifetime MMBTU Savings (in kWh)	30,533,752	25.5%	
	7,697,111	100.0%			119,764,066	100.0%	

Program Cost Effectiveness - 2014 Plan

Unitil Electric Energy Efficiency

January 1, 2014 - December 31, 2014 Cost Effectiveness

Summary of Program Cost-Effectiveness - 2014 PLAN

	Total Resource Benefit/Cost Ratio	Total Benefit (\$000)	Total Utility Costs (\$000)	Total Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served	Annual MMBTU Savings	Lifetime MMBTU Savings
Residential Programs											
ENERGY STAR Homes	2.5	\$ 1,513	\$ 195	\$ 403	153	3,266	126	153	50	2,023	49,228
Home Performance with Energy Star	3.3	\$ 1,086	\$ 217	\$ 113	25	417	11	25	56	1,803	41,273
ENERGY STAR Lighting	1.1	\$ 344	\$ 225	\$ 99	554	5,188	217	554	32,339	-	-
ENERGY STAR Appliances	1.7	\$ 823	\$ 285	\$ 214	308	3,323	51	308	2,512	1,446	23,594
Home Energy Assistance	2.0	\$ 983	\$ 483	\$ -	73	856	13	73	92	1,848	36,614
Res K-12 Education & Code Training		\$ -	\$ 52	\$ -	-	-	-	-	-	-	-
Residential Financing		\$ -	\$ 65	\$ -	-	-	-	-	-	-	-
ISO-Related Expenses Res/LI		\$ -	\$ 7	\$ -	-	-	-	-	-	-	-
Subtotal Residential	2.0	\$ 4,749	\$ 1,529	\$ 829	1,113	13,050	418	1,113	35,049	7,120	150,709
Commercial/Industrial Programs											
Large C&I Business	1.6	\$ 2,386	\$ 725	\$ 771	2,202	30,549	362	2,202	25	(494)	(7,407)
Small C&I Business	1.7	\$ 1,338	\$ 457	\$ 319	1,083	14,076	185	1,083	74	-	-
Municipals	2.1	\$ 725	\$ 221	\$ 129	444	5,771	60	444	24	393	8,414
C&I Education, Codes & Audits		\$ -	\$ 19	\$ -	-	-	-	-	-	-	-
ISO-Related Expenses C&I		\$ -	\$ 11	\$ -	-	-	-	-	-	-	-
Subtotal C&I	1.7	\$ 4,448	\$ 1,432	\$ 1,219	3,729	50,396	607	3,729	123	(101)	1,007
Total	1.8	\$ 9,197	\$ 2,960	\$ 2,048	4,842	63,445	1,025	4,842	35,172	7,019	151,716

Note: Total Utility Costs do not include PI, which are a function of the sectors as a whole, therefore B/C ratios will not be identical to those on the PI Calculation worksheets.

4) Line 4 = the calculated performance incentive based on (f	4,841,570	70.2%	kWh > 55%
Annual MMBTU Savings (in kWh)	2,057,021	29.8%	
	6,898,591	100.0%	

Lifetime kWh Savings	63,445,354	58.8%	kWh > 55%
Lifetime MMBTU Savings (in kWh)	44,463,650	41.2%	
	107,909,004	100.0%	

Program Benefits - 2014 Actual

Unitil Electric Energy Efficiency

January 1, 2014 - December 31, 2014 Benefits

2014 Actual Energy Benefits

	Total Benefits	CAPACITY				ENERGY				Non Electric Resource
		Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	
Residential Programs										
ENERGY STAR Homes	\$564,801	\$33,774	\$0	\$5,171	\$17,162	\$43,046	\$61,135	\$2,962	\$2,430	\$399,121
Home Performance with ENERGY STAR	\$1,083,428	\$2,031	\$0	\$403	\$1,336	\$18,387	\$26,007	\$3,156	\$3,767	\$1,028,341
ENERGY STAR Lighting	\$660,344	\$85,578	\$0	\$15,133	\$50,221	\$148,673	\$199,332	\$70,574	\$90,833	\$0
ENERGY STAR Appliances	\$1,149,974	\$49,592	\$0	\$10,574	\$35,092	\$59,481	\$67,534	\$53,538	\$44,462	\$829,702
Home Energy Assistance	<u>\$584,558</u>	<u>\$4,417</u>	<u>\$0</u>	<u>\$884</u>	<u>\$2,935</u>	<u>\$19,447</u>	<u>\$25,229</u>	<u>\$3,683</u>	<u>\$3,550</u>	<u>\$524,413</u>
Subtotal Residential	\$4,043,105	\$175,392	\$0	\$32,165	\$106,747	\$289,034	\$379,238	\$133,912	\$145,041	\$2,781,577
Commercial/Industrial Programs										
Municipal Program	\$305,720	\$90,193	\$0	\$16,003	\$53,109	\$36,217	\$43,098	\$33,305	\$33,795	\$0
Large Business Energy Solutions	\$3,358,389	\$545,686	\$0	\$97,750	\$324,409	\$834,532	\$728,044	\$412,846	\$334,952	\$80,169
Small Business Energy Solutions	<u>\$2,242,792</u>	<u>\$456,094</u>	<u>\$0</u>	<u>\$77,372</u>	<u>\$256,779</u>	<u>\$540,993</u>	<u>\$422,780</u>	<u>\$282,487</u>	<u>\$206,287</u>	<u>\$0</u>
Subtotal C&I	\$5,906,901	\$1,091,973	\$0	\$191,125	\$634,297	\$1,411,742	\$1,193,922	\$728,638	\$575,034	\$80,169
Total	\$9,950,006	\$1,267,366	\$0	\$223,290	\$741,044	\$1,700,776	\$1,573,160	\$862,550	\$720,075	\$2,861,746

Program Benefits - 2014 Planned

Unifil Electric Energy Efficiency

January 1, 2014 - December 31 2014 Planned Benefits

2014 Planned Energy Benefits

	Total Benefits	CAPACITY				ENERGY				Non Electric Resource
		Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	
Residential Programs										
ENERGY STAR Homes	\$1,512,698	\$36,771	\$0	\$5,585	\$18,535	\$78,594	\$113,081	\$5,884	\$4,821	\$1,249,428
Home Performance with ENERGY STAR	\$1,086,146	\$6,907	\$0	\$1,302	\$4,322	\$8,738	\$12,767	\$1,813	\$1,160	\$1,049,137
ENERGY STAR Lighting	\$343,870	\$40,153	\$0	\$8,041	\$26,686	\$78,977	\$105,917	\$36,637	\$47,458	\$0
ENERGY STAR Appliances	\$822,822	\$49,761	\$0	\$10,640	\$35,312	\$41,158	\$42,513	\$44,893	\$35,526	\$563,020
Home Energy Assistance	\$983,473	\$9,388	\$0	\$2,032	\$6,744	\$14,405	\$16,978	\$6,429	\$6,175	\$921,323
Subtotal Residential	\$4,749,009	\$142,979	\$0	\$27,600	\$91,598	\$221,872	\$291,256	\$95,655	\$95,140	\$3,782,908
Commercial/Industrial Programs										
Municipal Program	\$724,621	\$126,034	\$0	\$23,648	\$78,482	\$120,088	\$85,949	\$59,786	\$39,882	\$190,752
Large Business Energy Solutions	\$2,385,858	\$443,998	\$0	\$81,484	\$270,424	\$579,401	\$608,062	\$233,293	\$217,402	-\$48,206
Small Business Energy Solutions	\$1,337,637	\$326,969	\$0	\$61,338	\$203,566	\$293,392	\$208,661	\$146,292	\$97,419	\$0
Subtotal C&I	\$4,448,116	\$897,002	\$0	\$166,470	\$552,472	\$992,881	\$902,672	\$439,371	\$354,703	\$142,546
Total	\$9,197,125	\$1,039,981	\$0	\$194,070	\$644,070	\$1,214,752	\$1,193,928	\$535,027	\$449,844	\$3,925,453

Performance Incentive Calculation - 2014 Annual Report
Util Electric Energy Efficiency
January 1, 2014 - December 31, 2014

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	1.7	2.5
2. Threshold Benefit / Cost Ratio	1.0	1.0
3. Lifetime kWh Savings	50,395,627	71,868,653
4. Threshold Lifetime kWh Savings	32,757,158	
5. Budget / Actual not including PI	\$1,431,949	\$1,349,892
6. Cost Effective Percentage	3.75%	5.98%
7. Lifetime kWh Percentage	3.75%	5.35%
8. C&I Incentive	\$107,396	\$152,857
9. Cap (10%)	\$143,195	\$143,195
Residential Incentive		
10. Benefit / Cost Ratio	1.9	1.7
11. Threshold Benefit / Cost Ratio ¹	1.0	1.0
12. Lifetime kWh Savings	13,049,727	17,361,661
13. Threshold Lifetime kWh Savings (65%) ²	8,482,323	11,285,080
<hr/>		
14. Budget/ Actual not including PI	\$1,528,540	\$1,409,966
15. Benefit / Cost Percentage of Budget	3.75%	3.40%
16. Lifetime kWh Percentage of Budget	3.75%	4.99%
17. Residential Incentive	\$109,765	\$118,220
18. Cap (10%)	\$146,354	
4) Line 4 = the calculated performance incentive based on (for p:	\$217,162	\$261,415

Notes

1. Actual Benefit / Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime kWh Savings for each sector must be greater than or equal to 65% of projected energy savings, when converted to common units.
3. Planned Residential PI excludes the funds that were earmarked for the Revolving Loan Fund; in fact, no new funds were expended for that initiative

Planned v Actual BCR - 2014 Annual Report
Unitil Electric Energy Efficiency
January 1, 2014 - December 31, 2014

Planned Versus Actual Benefit / Cost Ratio by Sector

Commercial & Industrial:

	<u>Planned</u>		<u>Actual</u>
1. Benefits (Value) From Eligible Programs	\$ 4,448,116	\$	5,906,901
2. Implementation Expenses	\$ 1,431,949	\$	1,349,892
3. Customer Contribution	\$ 1,218,563	\$	858,850
4. Performance Incentive	<u>\$ 107,396</u>	\$	<u>143,195</u>
5. Total Costs	\$ 2,757,908	\$	2,351,937
6. Benefit/Cost Ratio - C&I Sector			1.6
			2.5

Residential:

7. Benefits (Value) From Eligible Programs	\$ 4,749,009	\$	4,043,105
8. Implementation Expenses	\$ 1,528,540	\$	1,409,966
9. Customer Contribution	<u>\$ 828,991</u>	\$	<u>806,654</u>
10. Performance Incentive	<u>\$ 109,765</u>	\$	<u>118,220</u>
11. Total Costs	\$ 2,467,296	\$	2,334,840
12. Benefit/Cost Ratio - Residential Sector			1.9
			1.7

Line No. Notes:

- 1) Line 1 = the lifetime dollar value of all energy and non-energy benefit resulting from program activity based on
- 2) Line 2 = the Company's total energy efficiency expenditures in 2014, not including PI.
- 3) Line 3 = the share of energy efficiency project costs born by participating customers.
- 4) Line 4 = the calculated performance incentive based on (for planning) 7.5% of total program costs, and (for actual) the earned % of total program costs based on two components. The BCR component of earned PI is calculated by comparing the actual benefit/cost ratio (BCR) to the planned BCR. The kWh component is calculated by comparing actual kWh savings to planned kWh savings. Detailed calculations are included on the following pages of this Annual Performance Report.
- 5) Line 5 = Sum of Lines 3, 4 and 5.
- 6) Line 6 = Line 7 ÷ Line 11, or the ratio of Total Resource Benefits to Total Resource Costs.
- 7) Lines 7-12 see explanation for Lines 1 - 6.

Planned v Actual Lifetime kWh by Program - 2014 Annual Report

Utili Electric Energy Efficiency

January 1, 2014 - December 31, 2014

Actual Lifetime Energy Savings by Sector and Program

	Lifetime kWh Savings		
	<u>Planned</u>	<u>Actual</u>	
Commercial & Industrial:			
Large Business Energy Solutions	30,549,034	43,289,566	
Small Business Energy Solutions	14,075,640	25,816,369	
Municipal Program	5,770,953	2,762,718	
Total C&I Lifetime kWh	50,395,627	71,868,653	143%
Residential:			
ENERGY STAR Homes Program	3,265,778	1,780,964	
Home Performance with ENERGY STAR	417,410	861,242	
ENERGY STAR Appliance Program	3,323,237	4,630,494	
ENERGY STAR Lighting Program	5,187,643	9,156,554	
Home Energy Assistance Program	855,658	932,408	
Total Residential (incl LI) Lifetime kWh	13,049,727	17,361,661	133%
Total	63,445,354	89,230,314	141%

2014 Annual Report Reconciliation

Unitil Electric Energy Efficiency
January 1, 2014 - December 31, 2014

Unitil Electric 2014 Electric Revenue and Expense Reconciliation

		<u>Actual</u>	<u>Budgeted</u>
1. Beginning Balance: 1/1/2014		\$ (756,881)	
Revenues			
2. System Benefits Charge Revenue		\$ 2,205,552	
3. FCM Revenue		\$ 257,907	
4. RGGI Proceeds		\$ 505,891	
5. Interest		\$ 31,363	
6. Total Funding	Σ Lines 2 - 5	\$ 3,000,713	
Expenses			
7. Program Expenses		\$ 2,759,858	
8. 2014 Actual PI / Estimated PI		\$ 261,415	\$ 217,162
9. 2014 Adjustment to prior year PI		\$ (67,611)	
10. Total Expenses	Σ Lines 7 - 9	\$ 2,953,661	
11. Ending Balance: 12/31/2014	Lines 1 - 6 + 10	\$ (803,932)	\$ (848,185)

Notes:

1. As a result of the PUC's fiscal audit of the 2013 program year, Unitil began (beginning on January 1, 2014), compounding the interest earned within its electric energy efficiency program, as is done with all other New Hampshire CORE energy efficiency programs with an interest calculation.
2. Line 8 Shows the Actual PI as calculated in this Annual Report, as well as the amount of PI that was budgeted for in the Company's 2014 Plan.