



February 7, 2022

Daniel Goldner, Chairman
NH Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2492

Re: DE-17-136 Unitil Energy Systems, Inc. and Northern Utilities, Inc. Program Budget Notification

Chairman Goldner,

Section 4.3, Bates page 35, of the 2018-2020 NH Statewide Energy Efficiency Plan approved by the Commission in its Order No. 26,095 dated January 2, 2018 in Docket DE 17-136 states: "The NH Utilities shall provide notification to the Commission if an individual program's actual expenditures are forecasted to exceed 120 percent of the program's budget." Subsequently, Commission Order 26,440 approved an extension of the 2020 Energy Efficiency Programs with "current program funding levels". The Company provided notice to the Commission, in concert with the other NH gas and electric utilities administering NHSaves Energy Efficiency programs, on August 13, 2021, affirming the budgets in effect for 2021 based on the extension of 2020 program funding levels.

On behalf of Unitil Energy Systems, Inc. and Northern Utilities, Inc. (collectively, "Unitil" or the "Company") I submit this letter to notify the Commission that spending for three programs in the portfolio exceeded 120 percent during program year 2021 based on the budgets submitted with the August 13, 2021 notification.

As noted in a previous notification letter, submitted by Unitil to the Commission on June 10, 2021, there was extraordinary pent-up demand that was realized for residential weatherization services in 2021 due to a relaxing of COVID-19 restrictions on in-home weatherization services in place throughout most of program year 2020. As a result, the Company exceeded 120 percent of the budget for both the natural gas and electric Home Performance with Energy Star programs.

In addition and in combination, the electric income eligible Home Energy Assistance ("HEA") program had an extraordinary opportunity in 2021 to work with Concord Housing Authority to replace extensive baseboard electric heating with Air Source Heat Pumps and variant refrigerant flow system at one of its apartment complexes, saving the public housing authority more than \$100,000 a year in electricity and other operating costs. This significant energy efficiency project involved significant collaboration with our vendors, involving both substantial financial incentives, technical assistance and other support from our HEA Program without which the project would not have been possible. This project resulted in the HEA budget exceeding its budget by nearly 30 percent in 2021 compared to 2020 budgets. We note that spending on the HEA program exceeds the initially proposed 2021 budget by just 6 percent.

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For reference, the table below depicts the 2020 / 2021 budgets for the programs described above, as well as the percentage and dollar amount variance compared to budget for those programs and the portfolio as a whole. We note that taken together on an overall portfolio basis, spending on all programs ***did not*** exceed the 2020 / 2021 budgets for either the gas or electric energy efficiency portfolios. Final 2021 expenditures for all programs will be summarized in the Company's 2021 Performance Incentive filing due by June 1, 2022

Sincerely,



Mary Downes
 Manager, Administration and Compliance
 Unitil Corporation

	Actual Spending¹	Approved 2020 (2021) Budget	variance
Gas HPwES	\$447,192	\$222,642	\$224,550
Ratio Actual/Plan		201%	
Portfolio	\$2,266,608	\$2,429,358	(\$162,750)
Ratio Actual/Plan		93%	

Electric HPwES	\$987,149	\$801,804	\$185,345
Ratio Actual/Plan		123%	
Electric HEA	\$1,730,657	\$1,353,131	\$377,526
Ratio Actual/Plan		128%	
Portfolio	\$7,583,874	\$7,743,573	(\$159,700)
Ratio Actual/Plan		98%	