

Mid-Term Modification Request for Until Electric
July 14, 2015

Fitchburg Gas and Electric Light Company d/b/a Until (“Until”) is committed to securing energy savings consistent with its portfolio level savings goals for the period 2013 through 2015, as endorsed by the Energy Efficiency Advisory Council (“EEAC” or “Council”) and approved by the Department of Public Utilities (“Department”), in a cost-effective manner. Until has experienced unprecedented demand for Commercial and Industrial (“C&I”) electric energy efficiency services in its New Construction program. Until proposes to increase its budget for its electric C&I New Construction program in large part due to the success of Upstream Lighting offerings and two large customers installing new energy efficient equipment. The proposed adjustment triggers a need for Council review and approval pursuant to § 3.8 of the revised Energy Efficiency Guidelines (“Guidelines”) issued by the Department in D.P.U. 11-120. Until requests Council approval to make the modifications to its electric Energy Efficiency Plan as described below.

I. C&I New Construction Program:

The C&I New Construction program is anticipated to realize significantly more savings and spending than was contemplated during the development of the 2013-2015 Plan. As such, the C&I New Construction program requires additional funds to ensure continued services as presented in Table 1:

Table 1:

Program	Approved Three Year Plan Budget	2013-2015 Projected <i>(2013 Actual + 2014 Draft + 2015 Estimate)</i>	Additional Budget Requested for Approval	Percent Change from Approved Three Year Plan Budget
C&I New Construction	\$1,500,000	\$2,200,000	\$700,000	47%

The Company requests, and the Guidelines require, Council review and approval of its proposed budget increase because the total anticipated Program spending will exceed 120% of the approved Three-Year Plan budget. The bill impact related to the request for an increase to the C&I New Construction budget, as calculated per the Guidelines, does not trigger a “Category Two” MTM, therefore the Company’s request does not require Department review and approval. If approved, the proposed increase to the C&I New Construction budget will allow Until to meet the high demand for Upstream Lighting offerings, as well as demand for non-upstream new construction and high efficiency equipment from large customers.

The Company estimates that if additional spending authorization is approved by the Council, actual annual kWh savings from customers participating in the C&I New Construction program in the three-year period will be approximately 230% of the approved three-year goal, while the cost will be 147% of the approved three-year budget.

In 2013 and 2014 combined, Upstream Lighting offerings represented approximately half of the Program’s total benefits, but less than one quarter of the incremental cost, leading to an overall Program

cost-effectiveness that was much higher than reflected in the original Plan. This is due to the fact that upstream lighting measures have a significantly lower cost to achieve compared to other New Construction measures. When the 2013-2015 Plan was developed, it was not anticipated that upstream lighting would play such an integral role in meeting the Program's savings and benefits goals.

Performance Incentives:

The Company does not propose any changes to the Department-approved performance incentive ("PI") model for the current Three Year Term as a result of these proposed budget increases, and will maintain the threshold, design, and exemplary levels of performance for the Savings and Value Mechanisms as set forth in the updated PI model submitted to the Department on March 3, 2014, in Fitchburg Gas and Electric Light Company d/b/a Unitil, D.P.U. 14-05 (amended initial filing) and updated in the Company's 2014 Plan-Year Report filed with the Department June 5, 2015 in D.P.U. 15-49. The Company intends to compare actual results for the programs to original Department-approved budgets as part of the Company's plan year and overall Term performance reporting.

II. Summary:

The Company will continue to monitor all initiatives and programs closely, as well as market and environmental factors related to program delivery with a commitment to continuing to serve our customers. Should the need arise, the Company will notify and work with the Council and the Department to ensure that all efforts are made to continue program offerings in a cost-effective manner that serves common interests.

Additional Material for Informational Purposes Only

The additional information summarized below is provided by Unitil for context and informational purposes only. Council action is requested solely on the modification described above. The Council, in acting on the above modifications, is not acting on or approving the estimates provided by Unitil below.

Table 3 shows the Company's 2013-2015 Plan values for annual savings, lifetime savings, benefits, and expenses as currently approved for all Programs with the exception of C&I New Construction Program. The totals for this Program reflects the budget change requested, as well as actual savings for 2013 and 2014, and the anticipated savings for 2015, should the request for additional funding be approved.

Table 3: Unitil Electric 2013-2015 Anticipated Outcomes with Proposed Budget

Unitil Electric 2013-2015 ANTICIPATED ADJUSTMENTS by SECTOR												
SECTOR	ANNUAL SAVINGS (MWh)			LIFETIME SAVINGS (MWh)			BENEFITS (LIFETIME \$000s)			BUDGET (\$000s)		
	2013-15 Approved	2013-15 with Proposed Adjustment	% Of Goal	2013-15 Approved	2013-15 with Proposed Adjustment	% Of Goal	2013-15 Approved	2013-15 with Proposed Adjustment	% Of Goal	2013-15 Approved	2013-15 with Proposed Adjustment	% Of Goal
	(a)	(b)	$\frac{(b)}{(a)}$	(d)	(e)	$\frac{(e)}{(d)}$	(g)	(h)	$\frac{(h)}{(g)}$	(j)	(k)	$\frac{(k)}{(j)}$
Res	3,108	3,108	100%	27,303	27,303	100%	\$10,856	\$10,856	100%	\$4,325	\$4,325	100%
LI	701	701	100%	9,942	9,942	100%	\$3,820	\$3,820	100%	\$2,149	\$2,149	100%
C&I	19,804	23,225	117%	257,048	298,968	116%	\$48,613	\$49,455	102%	\$9,100	\$9,800	108%
Total	23,614	27,034	114%	294,293	336,213	114%	\$63,289	\$64,131	101%	\$15,574	\$16,274	104%