

Unitil Energy Systems, Inc.
Internal Administrative Costs associated with Default Service

		<u>G1 Class</u>	<u>Non-G1 Class</u>	<u>Total</u>	<u>Notes:</u>
Energy Contracts Department:					
1	Average Cost of Labor per Hour	\$43.57	\$43.57	\$43.57	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>249.4</u>	<u>150.6</u>	<u>400.0</u>	
3	Cost of Labor	\$10,866	\$6,562	\$17,428	
4	Overhead (Line 3 * Overhead rate)	<u>\$11,002</u>	<u>\$6,644</u>	<u>\$17,646</u>	2
5	Total Labor and Overhead Cost	<u>\$21,869</u>	<u>\$13,205</u>	<u>\$35,074</u>	
Regulatory Services Department:					
1	Average Cost of Labor per Hour	\$43.20	\$43.20	\$43.20	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>88.0</u>	<u>35.0</u>	<u>123.0</u>	
3	Cost of Labor	\$3,802	\$1,512	\$5,314	
4	Overhead (Line 3 * Overhead rate)	<u>\$3,849</u>	<u>\$1,531</u>	<u>\$5,380</u>	2
5	Total Labor and Overhead Cost	<u>\$7,651</u>	<u>\$3,043</u>	<u>\$10,694</u>	
Accounts Payable Department:					
1	Average Cost of Labor per Hour	\$23.11	\$23.11	\$23.11	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>6.0</u>	<u>6.0</u>	<u>12.0</u>	
3	Cost of Labor	\$139	\$139	\$277	
4	Overhead (Line 3 * Overhead rate)	<u>\$140</u>	<u>\$140</u>	<u>\$281</u>	2
5	Total Labor and Overhead Cost	<u>\$279</u>	<u>\$279</u>	<u>\$558</u>	
General Accounting Department:					
1	Average Cost of Labor per Hour	\$38.74	\$38.74	\$38.74	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>6.0</u>	<u>6.0</u>	<u>12.0</u>	
3	Cost of Labor	\$232	\$232	\$465	
4	Overhead (Line 3 * Overhead rate)	<u>\$235</u>	<u>\$235</u>	<u>\$471</u>	2
5	Total Labor and Overhead Cost	<u>\$468</u>	<u>\$468</u>	<u>\$936</u>	
Finance Department:					
1	Average Cost of Labor per Hour	\$39.99	\$39.99	\$39.99	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>26.0</u>	<u>26.0</u>	<u>52.0</u>	
3	Cost of Labor	\$1,040	\$1,040	\$2,079	
4	Overhead (Line 3 * Overhead rate)	<u>\$1,053</u>	<u>\$1,053</u>	<u>\$2,105</u>	2
5	Total Labor and Overhead Cost	<u>\$2,092</u>	<u>\$2,092</u>	<u>\$4,185</u>	
Communications Department:					
1	Average Cost of Labor per Hour	\$58.12	\$58.12	\$58.12	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>60.0</u>	<u>60.0</u>	<u>120.0</u>	
3	Cost of Labor	\$3,487	\$3,487	\$6,974	
4	Overhead (Line 3 * Overhead rate)	<u>\$3,531</u>	<u>\$3,531</u>	<u>\$7,062</u>	2
5	Total Labor and Overhead Cost	<u>\$7,018</u>	<u>\$7,018</u>	<u>\$14,036</u>	
Business Development Department:					
1	Average Cost of Labor per Hour	\$38.75	\$38.75	\$38.75	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>8.0</u>	<u>0.0</u>	<u>8.0</u>	
3	Cost of Labor	\$310	\$0	\$310	
4	Overhead (Line 3 * Overhead rate)	<u>\$314</u>	<u>\$0</u>	<u>\$314</u>	2
5	Total Labor and Overhead Cost	<u>\$624</u>	<u>\$0</u>	<u>\$624</u>	
Information Systems Department:					
1	Average Cost of Labor per Hour	\$37.44	\$37.44	\$37.44	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>3.6</u>	<u>1.4</u>	<u>5.0</u>	
3	Cost of Labor	\$135	\$52	\$187	
4	Overhead (Line 3 * Overhead rate)	<u>\$136</u>	<u>\$53</u>	<u>\$190</u>	2
5	Total Labor and Overhead Cost	<u>\$271</u>	<u>\$105</u>	<u>\$377</u>	
Customer Service Department:					
1	Average Cost of Labor per Hour	\$22.52	\$22.52	\$22.52	1
2	Estimated Annual Hours Required to Accomplish Tasks	<u>48.0</u>	<u>48.0</u>	<u>96.0</u>	
3	Cost of Labor	\$1,081	\$1,081	\$2,162	
4	Overhead (Line 3 * Overhead rate)	<u>\$1,094</u>	<u>\$1,094</u>	<u>\$2,189</u>	2
5	Total Labor and Overhead Cost	<u>\$2,175</u>	<u>\$2,175</u>	<u>\$4,351</u>	
TOTAL ANNUAL COST		<u>\$42,447</u>	<u>\$28,386</u>	<u>\$70,834</u>	

Notes:

- 1) See Schedule LSM-4, Page 2 of 2.
- 2) Based on Unitil Service Corp. overhead rate of 101.25% (2007 average rate).

Unitil Service Corp.
Average Cost of Labor per Hour by Department

<u>Department</u> (a)	<u>Full Time Equivalent (1)</u> (b)	<u>Annualized Base Labor</u> (c)	<u>Open Positions</u> (d)	<u>Open Positions (2)</u> (e)	<u>Total Positions</u> (b) + (d) = (f)	<u>Total Salaries</u> (c) + (e) = (g)	<u>Avg Hrly Labor Cost (3)</u> (g) ÷ (f) ÷ 2080 = (h)
Energy Contracts	5.00	\$453,135	0	\$0	5.00	\$453,135.00	\$43.57
Regulatory / Legal	6.00	\$539,100	0	\$0	6.00	\$539,099.88	\$43.20
Accounts Payable	4.00	\$192,310	0	\$0	4.00	\$192,310.08	\$23.11
General Accounting	14.80 (4)	\$1,192,500	0	\$0	14.80	\$1,192,500.16	\$38.74
Finance	6.00	\$499,100	0	\$0	6.00	\$499,100.16	\$39.99
Communications	3.00	\$362,674	0	\$0	3.00	\$362,674.08	\$58.12
Business Development	9.00	\$735,428	1.00	\$70,604	10.00	\$806,031.92	\$38.75
Information Systems	13.00	\$999,758	1.00	\$90,367	14.00	\$1,090,124.92	\$37.44
Customer Service	38.00	\$1,787,370	1.00	\$39,436	39.00	\$1,826,805.68	\$22.52

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- (1) Annualized salaries of active employees as of January 1, 2008.
- (2) Salary range midpoint of open positions as of January 1, 2008.
- (3) Total salaries ÷ Total positions ÷ (40 hours/week * 52 weeks/year).
- (4) Includes three part-time employees.