



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING AND PUBLIC HEARINGS

D.P.U. 23-81

September 13, 2023

Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division), pursuant to G.L. c. 164, § 94 and 220 CMR 5.00, for Approval of a General Increase in Base Distribution Rates for Gas Service and a Performance-Based Ratemaking Plan.

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On August 17, 2023, Fitchburg Gas and Electric Light Company, doing business as Unitil (“Unitil (Gas)” or “Company”), filed a petition with the Department of Public Utilities (“Department”) for an increase in gas base distribution rates. The Department has docketed this matter as D.P.U. 23-81 and has suspended the effective date of the proposed rate increase until July 1, 2024, to investigate the propriety of the Company’s request. The Company was last granted an increase in base distribution rates through an approved settlement in Fitchburg Gas and Electric Light Company, D.P.U. 19-130/D.P.U. 19-131 (2020).

Unitil (Gas) seeks to increase its gas base distribution rates to generate \$10,893,803 in additional revenues. The Company’s revenue deficiency includes the transfer of \$4,202,178 in capital investments made as part of its gas system enhancement program to base distribution rates, effective July 1, 2024. Net of these transfers, the proposed overall increase to revenues is \$6,691,625, which the Company states represents a 23.5 percent increase in distribution revenue. The proposed base distribution rate increase is in addition to changes to other rates, such as supply rates and reconciling mechanisms, that occur during the year.

As part of its filing, Unitil (Gas) proposes to implement a performance-based ratemaking (“PBR”) plan, which would allow the Company to adjust its base distribution rates on an annual basis through a mathematical formula using a revenue-per-customer benchmark. The Company proposes to implement the PBR plan for a term of five years. During the PBR term, the formula increases base distribution revenues by the rate of inflation up to a five-percent cap and includes components to recover or return exogenous costs outside of the Company’s control and to share excessive earnings. Further, Unitil (Gas) proposes several individual performance metrics to gauge the Company’s progress on its PBR commitments.

The Company's filing also includes proposed adjustments to certain revenue and expense categories, as well as the recovery of certain capital investments made in 2023. Further, the Company makes rate design proposals, including changes to the demand and customer charges.

The foregoing is not intended to be an exhaustive list of issues set forth in the Company's filing. Additional information regarding the foregoing proposals, and all other proposals set forth by Unitil (Gas), can be found in the Company's filing, which is located on the Department's website as noted below.

Unitil (Gas) states that if its petition is approved as requested customers can expect the following bill impacts:

- A residential heating customer receiving service under Rate R-3 that uses on average 113 therms of gas per month during the winter season will experience a monthly bill increase of \$48.36 (14.9 percent);
- A residential non-heating customer receiving service under Rate R-1 that uses on average 25 therms of gas per month during the winter season will experience a monthly bill increase of \$15.55 (18.3 percent);
- A residential low-income heating customer receiving service under Rate R-4 that uses on average 114 therms of gas per month during the winter season will experience a monthly bill increase of \$36.55 (14.9 percent);
- A residential low-income non-heating customer receiving service under Rate R-2 that uses on average 30 therms of gas per month during the winter season will experience monthly bill increase of \$13.25 (17.7 percent); and
- Commercial and industrial ("C&I") customers can expect bill impacts to vary depending on usage and rate class. The Company states that the average monthly bill impact for small and medium C&I customers at each class's average use will range from an increase of between 5.3 percent and 15.6 percent. According to the Company, the monthly bill impacts for large C&I customers (sales and transportation) will range from an increase of between 2.46 percent and 12.89 percent. C&I customers should contact the Company, as indicated below, for specific bill impacts.

Additional bill impact information and additional detail about the filing can be found at: <https://www.mass.gov/info-details/dpu-23-81-fitchburg-gas-and-electric-light-company-dba-unitil-gas-division-base-distribution-rate-case>.

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) has filed a notice of intervention in this matter pursuant to G.L. c. 12, § 11E(a). Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General has filed a notice of retention of experts and consultants to assist in her investigation of the Company’s filing and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company’s rates.

The Department will conduct public hearings to receive comments on the Company’s petition as follows:

- **The Department will conduct an in-person public hearing on November 9, 2023, beginning at 7:00 p.m. at Fitchburg High School, 140 Arnhow Farm Rd, Fitchburg, Massachusetts 01420.** Interpretation services (Spanish, Portuguese) will be available at the in-person public hearing.
- **The Department will conduct two virtual public hearings using Zoom videoconferencing on November 29, 2023. The first session will begin at 2:00 p.m., and the second session will begin at 7:00 p.m.** Attendees can join either session by entering the link, <https://us06web.zoom.us/j/83388016649>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the public hearing, attendees can dial in at +1 305 224 1968 or +1 309 205 3325 (not toll free) and then enter the Webinar ID: 833 8801 6649. Interpretation services (Spanish, Portuguese) will be available over the Zoom platform by clicking the “Interpretation” button on the menu at the bottom of the Zoom application screen and selecting your language (*i.e.*, English, Spanish, or Portuguese).

The Department will accept written comments on the Company’s filing until the close of business (**5:00 p.m. on December 1, 2023**). Written comments from the public may be sent by email to [dpu.efiling@mass.gov](mailto:dpu.efiling@mass.gov), the Hearing Officer at [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov), and the Company’s attorney, Danielle C. Winter, Esq. at [dwinter@keeganwerlin.com](mailto:dwinter@keeganwerlin.com). **Please note that in the interest of transparency any comments will be posted to our website as received and without redacting personal information, such as addresses, telephone numbers, or email addresses. As such, consider the extent of information you wish to share when submitting comments.** The Department strongly encourages public comments to be submitted by email. If, however, a member of the public is unable to send written comments by email, a paper copy may be sent to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, Massachusetts, 02110.

Any person who desires to participate otherwise in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than **5:00 p.m. on September 27, 2023**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. All responses to petitions to intervene must be filed by 5:00 p.m. on the second business day after the petition to intervene was filed. Any person who seeks to intervene in this matter and desires to comment on the Attorney General's notice of retention of experts and consultants must file the comments no later than **5:00 p.m. on September 27, 2023**.

All documents should be submitted to the Department in **.pdf format** by e-mail attachment to [dpu.efiling@mass.gov](mailto:dpu.efiling@mass.gov), and to the Hearing Officer and Company's attorneys at the above email addresses. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 23-81); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document.

All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "23-81") at: <https://eeaonline.eea.state.ma.us/DPU/Flerom/dockets/bynumber>. To the extent a person or entity wishes to submit comments or intervene in accordance with this Notice, electronic submission, as detailed above, is sufficient. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), please contact the Department's ADA coordinator at [Gabriella.Knight@mass.gov](mailto:Gabriella.Knight@mass.gov) by **November 3, 2023**.

For further information regarding the Company's filing, please contact the Company's attorney, identified above. For further information regarding this Notice, please contact Marc J. Tassone, Hearing Officer, Department of Public Utilities, at [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov) or visit: <https://www.mass.gov/info-details/dpu-23-81-fitchburg-gas-and-electric-light-company-dba-until-gas-division-base-distribution-rate-case>.