



February 24, 2025

BY ELECTRONIC MAIL

Mark D. Marini, Secretary
Massachusetts Department of Public Utilities
One South Station
Boston, MA 02110

RE: DPU 24-PGAF-FGE - Fitchburg Gas and Electric Light Company d/b/a Unitil
REVISED RECONCILING FACTORS

Dear Secretary Marini:

On February 20, 2025, the Department of Public Utilities (the “Department”) issued a letter to the Massachusetts Local Distribution Companies (“LDCs”) highlighting circumstances, including “increased supply costs, the recovery of unusually high programmatic costs through delivery charges, and a cold winter,” that “warrant immediate measures to provide relief to customers.” In the letter the Department directed the LDCs to “file revised reconciling factors that will result in no less than a five percent reduction in residential and residential low-income average bills for the remainder of the peak season. Per the Department’s instructions, “[a]ny deferred costs will be collected through the local distribution adjustment factor during the off-peak season.” The Department directed the LDCs to file proposals in their respective cost of gas adjustment factor and local distribution adjustment factor dockets by today, February 24, 2025, for effect March 1, 2025.

In response to the Department’s letter, Fitchburg Gas and Electric Light Company, d/b/a Unitil (“Unitil” or the “Company”) proposes a reduction of \$817,633 or \$0.3103 per therm for its residential heating classes (R3 and R4) and a reduction of \$36,990 or \$0.3439 per therm for its residential non-heat classes (R1 and R2) for the months of March and April 2025.

Patrick Taylor
Chief Regulatory Counsel
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Hampton, NH 03842

Unitil also notes that it has proposed, in docket D.P.U. 24-201, to reduce its exogenous cost adjustment factor (“ECAF”) rate of \$0.0447 per therm to \$0.0000 per therm for its residential rate classes effective March 1, 2025¹.

Combined with the rate reductions described above, this equates to a \$33.37 monthly bill reduction or 10.0% for an average residential heating customer on default service using 94 therms in March and April. For an average residential non-heating customer on default service, using 24 therms in March and April, this equates to a \$9.33 monthly bill reduction or 9.8%.²

Enclosed with this letter are the following supporting documents:

- Attachment 1, Local Distribution Adjustment Factor Calculations;
- Attachment 2, Proposed Residential Rate Reduction Calculations;
- Attachment 3, Bill Impacts Resulting From Residential Rate Reduction; and
- Attachment 4, Bill Impacts Resulting From Residential Rate Reduction and in ECAF.

As shown on Attachment 1, the Company proposes to include the rate reduction in the Residential Assistance Adjustment Factor (“RAAF”) for billing purposes. Due to the short timeframe, the Company is not able to establish a separate reconciling factor and will therefore calculate the actual dollar amount of the reduction by multiplying actual sales billed for consumption in March and April 2025 by the rate reduction. Those amounts will be removed from RAAF revenue and deferred in a separate account. The Department has requested that the LDCs “give due consideration to employing a lower carrying charge as a means of effecting additional bill relief for customers.” In this limited circumstance, Unitil proposes to forego carrying charges on the deferred amount associated with the rate reduction.

Attachment 2 provides the calculation of the proposed residential rate reduction based on average heating and non-heat bills. For informational purposes, Attachment 2 provides an illustrative calculation of the rate to recover deferred costs in the off-peak season. Unitil plans to file its proposed recovery rate with Department on or before April 1, 2025 for effect May 1, 2025.

Attachment 3 provides bill impacts of the residential rate reduction at various usage levels versus current rates.

¹ Docket D.P.U. 24-201 includes ECAF reductions, by class, for all of Unitil’s rate classes.

² The rate reduction represents 8.7% of the total decrease. The ECAF decrease is 1.3% for residential heating and 1.1% for residential non-heat.

Attachment 4 provides bill impacts of the combined impacts of the residential rate reduction and decrease in the ECAF.

Unitil appreciates that the Department is seeking to implement a rate change to mitigate customer bill impacts in a short period of time. The Company is available and prepared to work with the Department and answer any questions to ensure that the intended rate changes take effect on March 1, 2025.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. H. Taylor', with a long horizontal flourish extending to the right.

Patrick H. Taylor
Chief Regulatory Counsel

Enclosures

cc: Service List
Mathieu Cunha, Hearing Officer
Elizabeth Anderson, Office of the Attorney General