KEEGAN WERLIN LLP

TELECOPIERS: (617) 951-1354

February 24, 2025

Mark D. Marini, Secretary Department of Public Utilities One South Station, 3rd Floor Boston, MA 02110

Re: The Berkshire Gas Company, D.P.U. 24-PGAF-BERK

Dear Secretary Marini:

On October, 30, 2024, the Department of Public Utilities (the "Department") issued an Order in the above-captioned matter approving The Berkshire Gas Company's ("Berkshire" or the "Company") Local Distribution Adjustment Factors ("LDAFs") for effect November 1, 2024, resulting in a decrease of the Company's LDAFs for residential customers of approximately 16 percent as compared to the LDAF in effect from November 1, 2023 through October 31, 2024. On February 20, 2025, the Commissioners of the Department issued a letter to all Investor-Owned Gas Local Distribution Companies in Massachusetts (the "Letter"), including Berkshire. In the Letter, the Department directed Berkshire 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" for effect March 1, 2025.

Pursuant to the Letter, enclosed for filing in the above-referenced matter as <u>Attachment 1</u> are the Company's proposed revised LDAFs for residential customers for effect March 1, 2025. To effectuate the directives of the Letter, and to provide rate relief to customers, the Company proposes to reduce its LDAF for residential customers from the currently-approved rate of \$0.2975 per-therm to the currently-proposed rate of \$0.0430 per-therm.

Under the Company's proposed LDAF rate for effect March 1, 2025, an average Residential Non-Heating Customer on Rate R-1 using 16 therms per month will experience a reduction of ten percent, or \$4.07, on their total bill. An average Residential Heating customer on Rate R-3 using 107 therms per month will experience a reduction of 13.1 percent, or \$27.33, on their total bill.

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Attachment 1 provides a comparison of total bill components for an average residential customer on Rates R-1 and R-3 at current rates and with rates under the Company's proposed revised LDAF.

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The Company is accelerating efforts to promote budget billing programs for residential customers, and is guiding customers who have difficulty paying their energy bills towards appropriate assistance programs, such as arrearage management plans and the Home Energy Assistance Programs. Further, the Company's proposal is framed in a way to provide all residential customers, both heating and non-heating, rate relief in a manner that avoids impacts to customers of the implantation of important public policy programs such as energy efficiency.

The Letter further provides that any "deferred costs will be collected through the [LDAF] during the off-peak season...." In response to the Letter, the Company has voluntarily reduced the amount to be deferred and included in its pending off-peak LDAF filing by limiting carrying costs associated with the deferral provided in <u>Attachment 1</u> to the customer deposit rate of 4.37 percent. Based on the reduction to its LDAF provided in <u>Attachment 1</u>, the Company estimates that deferral amount to be included in its off-peak filing, D.P.U. 25-OGAF-BERK, to be filed no later than March 17, 2025, at \$1.615 million exclusive of carrying costs.

Please contact me if there are any questions with respect to this filing. Thank you for your attention to this matter.

Sincerely,

Brendan P. Vaughan

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Enclosures

cc: Mathieu Cunha, Esq., Hearing Officer Connor McElroy, Esq., Hearing Officer Service List, D.P.U. 24-PGAF-BERK