



January 9, 2020

**Sent via electronic and overnight mail**

Chairman, Townsend Board of Selectmen  
272 Main Street  
Townsend, MA 01469

Re: DPU 19-131 – 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 Gas Base Distribution Rates

Dear Chairman:

Enclosed please find a copy of the **Notice of Filing, Public Hearing, and Procedural Conference** ("Notice") issued by the Massachusetts Department of Public Utilities ("Department") in the above-referenced docket. This docket will consider the petition filed by Fitchburg Gas and Electric Light Company d/b/a Unitil (the "Company") for an increase in base distribution rates for gas service.

Please refer to the contents of this Notice for information on, among other items, the public hearing, submitting comments on the Company's proposal, petitioning for leave to intervene and participate in the evidentiary phase of this proceeding, and locations where a copy of the filing will be available for inspection.

Please also note that the Department has requested that a copy of the enclosed notice be posted in each city or town hall in the Company's service area upon receipt through February 26, 2020. Thank you for your assistance in complying with this request.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Peterson", written over a circular blue stamp.

Ryan Peterson  
Regulatory Specialist

Encl.

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Ryan Peterson  
Regulatory Specialist  
petersonr@unitil.com

6 Liberty Lane West  
Hampton, NH 03842



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PROCEDURAL CONFERENCE, AND PUBLIC HEARING

D.P.U. 19-131

January 7, 2020

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 Gas Base Distribution Rates.

On December 17, 2019, Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil" or "Company") filed a petition with the Department of Public Utilities ("Department") seeking approval of an increase in base distribution rates for gas service pursuant to G.L. c. 164, § 94, as well as other proposals. Unitil seeks to increase its rates to generate \$7.3 million in additional revenues. This increase includes the Company's request to transfer the recovery of \$3.4 million in replacement costs of Gas System Enhancement Plan ("GSEP") investments from the Local Distribution Adjustment Factor to base distribution rates. Consequently, if approved, the proposed increase in base distribution revenues of \$7.3 million will be offset by a revenue decrease of \$3.4 million to the LDAF, which results in a \$3.9 million, or 11.1 percent, increase over current total gas operating revenues. The Company also states that its requested rate increase takes into account the reduction in the federal corporate income tax rate that results from the Tax Cuts and Jobs Act of 2017, which became effective January 1, 2018.

As part of the filing, Unitil proposes to continue its recovery of capital investment made to replace gas distribution infrastructure through the GSEP approved in Fitchburg Gas and Electric Light Company, D.P.U. 14-130 (2015). The Company also proposes certain changes to the methods used to recover property taxes. Additional information regarding these and all other proposals can be found in the Company's filing.

The Department docketed this matter as D.P.U. 19-131 and has suspended the effective date of the proposed rate increase until November 1, 2020, to investigate the propriety of the Company's request. The Company's last gas distribution rate case concluded in 2015. Fitchburg Gas and Electric Light Company, D.P.U. 15-81 (2015).

The Company states that if its petition is approved as requested, the proposed rates will have the following effect:

- A residential heating customer receiving service under Rate R-3 that uses on average 110 therms of gas per month during the winter season will experience a monthly bill increase of \$45.89, or a 23.4 percent increase in current rates;

- A residential non-heating customer receiving service under Rate R-1 that uses on average 23 therms of gas per month during the winter season will experience a monthly bill increase of \$14.40, or a 28.1 percent increase in current rates;
- A residential low-income heating customer receiving service under Rate R-4, that uses on average 107 therms of gas per month during the winter season will experience a monthly bill increase of \$33.62, or a 23.4 percent increase in current rates; and
- A residential low-income non-heating customer receiving service under Rate R-2, that uses on average 27 therms of gas per month during the winter season will experience a monthly bill increase of \$12.14, or a 27.8 percent increase in current rates.

Bill impacts for commercial and industrial customers will vary. Individual customers may contact the Company as shown below for specific bill impact information.

The Department has scheduled the following public hearing to receive comment on the Company's petition:

**February 26, 2020 at 7:00 p.m.  
Fitchburg Memorial Middle School  
615 Rollstone Street  
Fitchburg, Massachusetts 01420**

Any persons interested in commenting on this matter may appear at the public hearing or file written comments with the Department not later than the close of business (5:00 p.m.) on February 26, 2020. A procedural conference will be held at the Department's offices on February 12, 2020, at 2:00 p.m.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding no later than the close of business (5:00 p.m.) on January 31, 2020. A petition to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing 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 written comments and petitions for leave to intervene or to participate in this proceeding must be filed with the Department of Public Utilities as follows: an original to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, Massachusetts 02110; and one (1) copy of all materials filed with the Department should be sent to Jessica L. Ellis, Hearing Officer, Department of Public Utilities, One South Station, 5<sup>th</sup> Floor, Boston, Massachusetts 02110. In addition, one (1) copy of these documents should be sent to counsel for the Company, Gary Epler, Chief Regulatory Counsel, Unitil Service Corporation, 6 Liberty Lane West, Hampton, New Hampshire, 03842-1720.