

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 21-BSF-A4

October 22, 2021

Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of Basic Service rates for December 1, 2021 through May 31, 2022, for its small and medium customer groups.

ORDER ON MITIGATING THE IMPACT OF THE INCREASE OF STANDARD BASIC
SERVICE RATES OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

I. BACKGROUND

Under the Electric Industry Restructuring Act,¹ bundled retail electric service has been restructured so that retail electricity supply service can be provided by competitive suppliers, while electricity delivery service is still provided by electric distribution companies as a regulated monopoly service. G.L. c. 164, § 1B(d). Electric distribution companies, however, are required to provide electricity supply, through their basic service offering, to any customer not taking electricity supply service from a competitive supplier (either in the private market or through a municipal aggregation program). G.L. c. 164, § 1B(d). Each electric distribution company procures its basic service supply through a competitive solicitation. G.L. c. 164, § 1B(d). The basic service rate is set to pass through the market costs of electricity supply to customers. Electric distribution companies do not derive a profit from or earn a return on providing basic service. See G.L. c. 164, § 1B(d).² The Department of Public Utilities (“Department”) reviews an electric distribution company’s basic service solicitation to ensure that it is competitive and that the resulting rates are appropriately market based. D.T.E. 02-40-C at 22-23.

The Department recognizes that higher electric supply rates for the upcoming winter season, combined with the effects of the COVID-19 pandemic, continue to be a challenge for electric distribution companies’ customers, particularly posing a difficult financial burden for

¹ Act Relative to Restructuring the Electric Utility Industry in the Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein. St. 1997, c. 164 (“Restructuring Act”).

² See also, Pricing and Procurement of Default Service, D.T.E. 99-60-B (2000); Default Service Procurement, D.T.E. 02-40-B at 22-23 (2003); Default Service Procurement, D.T.E. 02-40-C at 22-23 (2003).

electric space heating customers. Due to a variety of factors, the cost of natural gas has recently increased significantly worldwide, and Massachusetts ratepayers will experience the impact of these rising energy supply costs through their electric basic service rates³ and their cost of gas adjustment factors. Energy commodity markets are dynamic and influenced by many factors such as weather, supply and demand levels, availability and price of alternative fuels, global markets, and most recently the COVID-19 pandemic. The Department is deeply concerned about the impact that significant increases in energy costs have on customers. Recognizing these challenges, the Department has directed all electric and gas distribution companies to take reasonable actions to mitigate the financial effects of large increases to energy costs this winter. Letter from Commissioners of the Department to the Presidents of the Massachusetts Electric and Gas Companies (October 19, 2021). The Department directed the companies to promote and allow residential customers to enroll in budget billing programs throughout the winter months, which will allow customers to spread their total electricity costs evenly over a specified time period. Additionally, the companies are directed to guide customers that have difficulty paying their bills towards appropriate assistance programs, such as arrearage management plans and/or the Low-Income Home Energy Assistance Program. The companies are also required to increase customer education regarding energy efficiency, particularly for low-income customers, focusing on behaviors and measures to assist customers in reducing their near-term energy bills, as well promote long term energy and demand savings. The Department is aware of and commends the

³ Wholesale electricity prices are driven by natural gas prices.

efforts many companies have already taken to help educate customers and mitigate rate impacts driven by rising energy supply costs.

II. PROCEDURAL HISTORY

On October 1, 2021, pursuant to D.T.E. 99-60-B, D.T.E. 02-40-C, and G.L. c. 164, § 1B(d), Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil” or “Company”), filed a petition with the Department to approve: (1) the results of the Company’s most recent basic service supply solicitation for December 1, 2021 through May 31, 2022; and (2) the basic service rates for its small (including residential customers) and medium customer groups for the same period (Initial Filing Letter at 1-2). As a result of Unitil’s basic service solicitation, the proposed fixed residential basic service rate for December 1, 2021 through May 31, 2022 would increase from the current rate of \$0.09554 per kilowatt hour (“kWh”) to \$0.19880 per kWh, or approximately 108 percent; the proposed rates are approximately 74 percent higher than last winter’s basic service rates (Initial Filing Letter, Summary of Electric Service Rates, Sch. SR, Sheet 4). Additionally, through this solicitation, the Company sought to procure 100 percent of the basic service load requirements for these customer groups for the upcoming six-month period; this solicitation approach is a departure from the procurement method approved by the Department in D.T.E. 99-60-B where distribution companies must procure their load requirements through two overlapping twelve-month procurements, each for 50 percent of the load requirements (Initial Filing Letter at 1-2).

On October 1, 2021, the Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed her notice of intervention in this proceeding pursuant to G.L. c. 12, § 11E(a) and a request to file comments. Pursuant to the October 4, 2021 Hearing Officer

Memorandum, on October 6, 2021, the Attorney General submitted comments with a proposal to mitigate the rate impact of Unitil's basic service solicitation for the small and medium customer groups (Attorney General Comments at 2-4), and on October 8, 2021, Unitil submitted, after consultation with the Attorney General, an alternative proposal designed to lower the rates charged to the Company's basic service customers for the upcoming basic service pricing period ("Joint Mitigation Proposal") (Company Comments at 1-2).

On October 12, 2021, the Department approved Unitil's solicitation for basic service supply between December 1, 2021 and May 31, 2022, but we did not approve the Company's proposed basic service rates. Fitchburg Gas and Electric Light Company, D.P.U. 21-BSF-A4, Letter Order (October 12, 2021).

On October 8, 2021, the Department issued a Notice of Filing and requested stakeholder comments on the Joint Mitigation Proposal. Between October 12, 2021 and October 18, 2021, the Attorney General, Cape Light Compact JPE ("Compact"), Colonial Power Group, Inc. ("CPG"), NRG Energy ("NRG"), Real Estate Supply Association ("RESA"), Residents Energy, LLC and Town Square Energy, LLC ("Residents Energy/Town Square"), Lunenburg Town Administrator Heather Lemieux, Fitchburg City Councilor Marisa Fleming, Fitchburg City Councilor-at-Large Sam Squailia, and approximately 93 of Unitil's customers filed comments (collectively, "Municipal Official and Customer Comments").

In this Order, we consider Unitil's proposed basic service rates, the Joint Mitigation Proposal, and all comments received. The Department docketed this matter as

D.P.U. 21-BSF-A4.

III. JOINT MITIGATION PROPOSAL

Initially, the Attorney General proposed a one-time deferral of 50 percent of the increase associated with the proposed basic service rate charge over last winter's charge (Attorney General Comments at 2). Under the Attorney General's proposal, the Company would recover the deferred portion of the winter rate (December 1, 2021 through May 31, 2022) during the next basic service period (June 1, 2022 through November 30, 2022) (Attorney General Comments at 2).

In the Joint Mitigation Proposal, Unitil states that its proposed basic service rate increase is largely attributable to the fact that the Company procured 100 percent of its basic service load for the upcoming six-month basic service period due to uncertainty regarding the implementation of the City of Fitchburg's pending municipal aggregation proposal (Joint Mitigation Proposal at 1). See City of Fitchburg, D.P.U. 20-117. As noted above, the Company states that it customarily procures 50 percent of its basic service load for twelve-month periods and combines the pricing every six months to mitigate price volatility (Joint Mitigation Proposal at 1). The Company asserts that absent the pending municipal aggregation proposal, the Company would have procured its basic service load for the upcoming six-month period according to the customary approach (Joint Mitigation Proposal at 1).

Under the Joint Mitigation Proposal, Unitil and the Attorney General have agreed upon an approach to mitigate rate impacts in the upcoming basic service period (Joint Mitigation Proposal at 12). Under the mitigation strategy, the Company will implement a fixed basic service rate of \$0.15650 per kWh for residential and small general service customer groups, along with associated variable monthly rates (Joint Mitigation Proposal at 2). Further, the

Company and Attorney General agree that a similar adjusted rate should be applied to the medium general service customer group, yielding a fixed basic service rate of \$0.14433 per kWh, and associated variable monthly rates (Joint Mitigation Proposal at 2). Under the proposal, any unrecovered costs (estimated to be approximately \$3.2 million) would be collected through the Company's Basic Service Adjustment rate ("BSA") (Schedule BSA, M.D.P.U. No. 376) beginning June 1, 2022, for a seven-month period ending December 31, 2022, from all distribution customers (Joint Mitigation Proposal at 2). Unitil states that this approach approximates the rates that would have been in effect had the more traditional blending approach been used, mitigates rate impacts for customers, and allows for a timely recovery of any uncollected costs (Joint Mitigation Proposal at 2).

IV. SUMMARY OF COMMENTS

A. Introduction

The commenters generally address: (1) the appropriateness of mitigating Unitil's basic service rates by lowering the rates to provide basic service effective December 1, 2021; (2) the appropriateness of recovering any uncollected costs through the BSA; (3) alternative steps that can be taken to mitigate the impact of the increase in basic service rates; and (4) the impact of the proposed basic service rates. Below, the Department provides a general summary of the comments addressing these four topics. The Department appreciates all of the commenters' thorough and thoughtful comments.

B. Mitigation of Basic Service Rates

The Attorney General and CPG do not object to Unitil setting its basic service rates below the initially filed rates and recovering basic service costs in a future recovery period

(Attorney General Comments; CPG Comments at 2). CPG and the Attorney General state that the pure magnitude of the increase is shocking, and it comes at a particularly bad time when customers are already coping with difficult economic conditions (Attorney General Comments at 2; CPG Comments at 2).

NRG, RESA, and Residents Energy/Town Square do not support mitigating the Company's initially filed rates and recovering basic service costs in a later period (see, e.g., NRG Comments at 3-4; RESA Comments at 2-7; Residents Energy/Town Square at 3).⁴ These commenters state that this proposal is inconsistent with the Restructuring Act and Department precedent that requires basic service to be competitively procured and priced at the market price of electricity, with a uniform rate for periods of up to six months (see, e.g., NRG Comments at 3; RESA Comments at 6; Residents Energy/Town Square Comments at 3). As such, NRG, RESA, and Residents Energy/Town Square contend that basic service rates are already designed to mitigate price volatility for customers by averaging six monthly prices into one flat rate, and that any delay in cost recovery would distort future price signals (see, e.g., NRG Comments at 6; RESA Comments at 6; Residents Energy/Town Square Comments at 3). Further, these commenters state that any delayed recovery will result in higher customer costs because it would spread cost recovery over a longer period, thereby increasing carrying costs (see, e.g., NRG Comments at 4-5; RESA comments at 12-13; Residents Energy/Town Square Comments at 4).

⁴ The Compact did not directly address the mitigation and recovery strategy but does oppose the Joint Mitigation Proposal (Compact Comments at 1-2).

C. Recovery of Uncollected Costs Through BSA

The Compact, CPG, NRG, RESA, and Residents Energy/Town Square oppose the proposal to recover uncollected costs resulting from lowering the basic service rate through the BSA (see, e.g., Compact Comments at 1-2; CPG Comments at 2-3; NRG Comments at 3; RESA Comments at 7-11; Residents Energy/Town Square Comments at 3, 7-8). Several commenters state that this proposal of the Joint Mitigation Proposal is inconsistent with the Restructuring Act and Department precedent that requires basic service be based on actual wholesale bids and priced equally to the average monthly price of power (see, e.g., NRG Comments at 4-5; RESA Comments at 7-11; Residents Energy/Town Square at 3-4). Many commenters further contend that the BSA, which recovers costs from all distribution customers, is not designed to collect the cost of providing basic service, and that doing so violates the principal of cost causation by unfairly shifting costs to competitive supply and municipal aggregation customers (see, e.g., CPG Comments at 2; NRG Comments at 4-5; RESA Comments at 7-12).⁵ The commenters contend that the Joint Mitigation Proposal would disrupt the competitive supply market by artificially lowering basic service rates and distorting the rates for competitive supply and municipal aggregation customers, and serves as a barrier to retail competition (see, e.g., Compact Comments at 2; CPG Comments at 2-3; NRG Comments at 5-6).

⁵ RESA argues that electric distribution companies inappropriately collect many basic service costs from distribution customers, such as payments to basic service suppliers, costs for procuring basic service power from ISO New England, Inc., and costs for operation of the New England Power Pool Generation Information System (RESA Comments at 8-9). The Department notes that these arguments are beyond the scope of this proceeding and declines to address them here.

D. Alternative Mitigation Recommendations

As an alternative to the Joint Mitigation Proposal, several commenters recommend customer education, expansion and promotion of the electric distribution companies' existing budget billing programs, and utilization of energy efficiency measures (see, e.g., NRG Comments at 7; RESA Comments at 14; Residents Energy/Town Square Comments at 9). For example, some commenters recommend additional customer outreach and education about competitive supply options (see, e.g., NRG Comments at 6-8; RESA Comments at 14,16-18; Residents Energy/Town Square Comments at 8). Several commenters recommend active promotion of Unitil's budget billing program to mitigate the impact of the basic service rate increases (see, e.g., NRG Comments at 8; RESA Comments at 14-15). Additionally, the commenters support increasing investment in energy efficiency to mitigate price volatility and lower electricity consumption in the long term (see, e.g., NRG Comments at 8; RESA Comments at 20-21).

CPG proposes an alternative mitigation cost recovery strategy by collecting unrecovered costs from all customers who were: (1) Unitil basic service customers as of the Company's solicitation for basic service for the December 1, 2021 through May 31, 2022 billing period; or (2) enrolled on basic service prior to concluding the collection of the unrecovered costs (CPG Comments at 3). CPG argues that this proposal will capture basic service customers who enroll with a competitive supplier or municipal aggregation without penalizing existing non-basic service customers (CPG Comments at 3-4).

E. Unitil's Proposed Basic Service Rates

Lunenburg Town Administrator Heather Lemieux, Fitchburg City Councilor Marisa Fleming, Fitchburg City Councilor-at-Large Sam Squailia, and approximately 93 of Unitil's customers filed comments opposing the proposed basic service rate increase (see Municipal Official and Customer Comments). In general, these commenters state that the proposed increase would be financially burdensome on customers (see Municipal Official and Customer Comments). Some of these commenters claim that Unitil's current rates are among the highest in the country and oppose any proposed increase at this time (see Municipal Official and Customer Comments).

V. ANALYSIS AND FINDINGS

A. Mitigation of Basic Service Rates

The Restructuring Act requires that basic service be competitively procured and priced at the market price of electricity. G.L. c. 164 § 1B(d). In D.T.E. 99-60-B, the Department established a six-month fixed price⁶ option as the customary default service pricing option for residential and small commercial and industrial ("C&I") customers. D.T.E. 99-60-B at 5; see also D.T.E. 02-40-B. As noted above, basic service solicitations are structured so that a distribution company procures 50 percent of its residential and small C&I load for twelve-month periods, which are staggered by six months, and then combines the overlapping prices every six months to mitigate price volatility for customers by averaging six monthly prices into one flat rate. See Massachusetts Electric Company and Nantucket Electric Company,

⁶ The Department has found that setting fixed pricing options for a longer term is inconsistent with keeping default service prices at market-based levels. D.T.E. 02-40-B at 44.

D.P.U. 14-BSF-D3-A at 10 (2014). In this case, however, the Company procured 100 percent of its load for the six-month winter basic service period (December 1, 2021 through May 31, 2022) (Initial Filing Letter at 1-2). Unitil asserts that it pursued this strategy due to the uncertainty of the start date of the City of Fitchburg municipal aggregation program. Customers in the City of Fitchburg account for about 77 percent of the Company's basic service customer base. Fitchburg Gas and Electric Company, D.P.U. 21-BSF-A2, Unitil Basic Service Bid Evaluation Report at 2 (April 2, 2021). Due to the uncertainty of the City of Fitchburg's municipal aggregation program, the Company indicates that suppliers were unable to offer fixed price basic service supply for twelve months consistent with the traditional manner for procuring basic service (Unitil Basic Service Bid Evaluation Report at 2). If Unitil sought fixed price basic service supply for the full twelve-month period, the Company states that pricing received would have included significant risk premiums to cover the uncertainty of the potential significant load migration associated with the City of Fitchburg's aggregation (Unitil Basic Service Bid Evaluation Report at 2). As a result of the altered solicitation strategy, the Company's proposed winter basic service rates did not benefit by purchasing 50 percent of its requirements when the wholesale energy price was substantially lower.

In general, the Department has recognized that changing basic service rates by delaying cost recovery from the current basic service term to another term would not be in the ratepayers' best interests, would disrupt the competitive market, might result in higher basic service bid prices in the future, could shift costs to non-basic service customers, and would be contrary to Department precedent. See D.P.U. 14-BSF-D3-A, at 10. We reaffirm that our existing approach to basic service ratemaking strikes an appropriate balance between two objectives – price

stability and efficient price signals (i.e., aligning basic service rates with prevailing market prices). See D.T.E. 02-40-B at 44-45.

The circumstances, however, surrounding the Company's proposed basic service rates for the upcoming winter season are unique. First, the Company has departed from the traditional solicitation method due to the uncertainty of the start date of the City of Fitchburg's pending municipal aggregation program. As a result, the Company's proposed basic service rates do not benefit from the price mitigation effect of layered twelve-month solicitations. As noted above, the Joint Mitigation Proposal is designed to approximate what Unitil's basic service rates would have been had the traditional solicitation process been followed (Joint Mitigation Proposal at 2). Second, the Commonwealth is facing the health and economic effects of the COVID-19 pandemic. The Department is aware that higher energy costs may compound the challenges facing the Company's customers, particularly during the COVID-19 pandemic. Finally, the Department acknowledges that the proposed basic service rates (\$0.19880 per kWh for residential and small C&I customers and \$0.18247 per kWh for medium C&I customers) represent significantly higher rates compared to historic basic service rates during high energy supply cost periods.⁷

Given the unique circumstances presented in this proceeding (the unprecedented basic service rates resulting from higher energy supply costs and the procurement process, as well as the economic effects of the COVID-19 pandemic), we find it appropriate to take into

⁷ As a comparison, during the polar vortex of 2014, basic service rates were in the range of \$0.14328 to \$0.16182 per kWh. D.P.U. 21-BSF-D3-A at 3 (2014); Fitchburg Gas and Electric Light Company, D.P.U. 14-BSF-A4, Stamp Approved Compliance Tariff (November 21, 2014).

consideration the price stability afforded by the Joint Mitigation Proposal. Under the Joint Mitigation Proposal, the Company's alternative basic service rates would approximate the rates under a traditional solicitation process (i.e., two overlapping twelve-month procurements, each for 50 percent of the load requirements rather than a six-month procurement for 100 percent of the load requirements). Further, the Department notes that the rates under the Joint Mitigation Proposal would align with those approved for Massachusetts Electric Company, which borders Until's service territory. See Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 21-BSF-D3 (September 22, 2021). For the reasons discussed above, the Department finds that the basic service rates under the Joint Mitigation Proposal provide efficient price signals consistent with the Department's rate principles. D.T.E. 02-40-B at 44-45.

B. Recovery of Uncollected Costs Through BSA

Under the Joint Mitigation Proposal, Until projects that the Company will under collect approximately \$3.2 million during the upcoming basic service term, and proposes to recover the amount from all distribution customers through the BSA beginning June 1, 2022 for the seven month period ending December 31, 2022 (Joint Mitigation Proposal at 2). Some commenters oppose this cost recovery proposal stating that the proposal violates cost causation principles and inappropriately shifts costs to all customers (see, e.g., NRG Comments at 4-5; RESA Comments at 7-12; Residents Energy/Town Square at 3-4; CPG Comments at 2; Compact Comments at 2).

As an initial matter, consistent with Default Service Procurement, D.P.U. 99-60-C at 13 (2000), the Company already reconciles costs associated with basic service through the BSA. M.D.P.U. No. 376. The Department has long held that this rate treatment is consistent with the Department's ratemaking principles. D.P.U. 99-60-C at 13; see also Investigation into Initiatives

to Improve the Retail Electric Competitive Supply Market, D.P.U. 14-140-A at 12-13 (2015).⁸

Basic service acts as a safety net for all customers regardless of whether they currently receive generation service from the basic service provided. D.P.U. 99-60-C at 13. Accordingly, all customers of electric distribution companies benefit from the availability of basic service and therefore, cost causation may be attributed to customers who actually take basic service and, to some extent, to those customers who are eligible to do so (even if they choose not to) and on whose behalf an electric distribution company secures the insurance fallback of basic service eligibility. D.P.U. 99-60-C at 13. In D.P.U. 99-60-C, we found it appropriate to recover electric distribution companies' default service costs through a basic service reconciliation mechanism (e.g., the BSA). D.P.U. 99-60-C at 13.⁹ Accordingly, the Department finds the Company's proposal to recover uncollected basic service costs through the BSA reasonable and consistent with Department precedent.

Under the Joint Mitigation Proposal at 2, the Company plans to recover uncollected costs from the winter basic service term beginning June 1, 2022 for the seven-month period ending December 31, 2022. Currently, the Company updates its BSA effective January 1st each year. See M.D.P.U. No. 376; Fitchburg Gas and Electric Light Company, D.P.U. 20-134-A (2021).

Under the Joint Mitigation Proposal, the Company will adjust its BSA rate effective

⁸ In eliminating the bill recalculation requirement for residential and small C&I customers on fixed price basic service during the basic service term, the Department recognized that the resulting under-recoveries would be recovered from all distribution customers through a reconciling mechanism (i.e., the BSA). D.P.U. 14-140-A at 12-13.

⁹ The Department notes that CPG's proposal to limit recovery to customers on basic service is inconsistent with the Department's established precedent and basic service principles.

January 1, 2022 and then adjust the BSA rate again effective June 1, 2022. The Department finds that, under the unique circumstances in this proceeding, the proposal to adjust the BSA at the start of the summer basic term is appropriate in order to timely recover basic service costs. Further, the Department notes that in Unitil's service territory total retail sales are substantially similar during the winter basic period (December 1st through May 31st) and the summer basic service period (June 1st through November 30th). See D.P.U. 21-BSF-A4 (Customer Migration Report); D.P.U. 20-BSF-A4 (Customer Migration Report). Accordingly, the Department finds that recovering costs starting June 1, 2022 will have substantially similar bill impacts compared to the bill impacts if the costs were recovered through the BSA effective January 1, 2023, when the Company typically updates its BSA. The accelerated recovery also will minimize carrying charges and the proposed seven-month recovery period will further mitigate bill impacts. Therefore, the Department finds the proposal to recover uncollected costs associated with the Joint Mitigation Proposal starting June 1, 2022 reasonable.

Some commenters suggested that the Department in lieu of adopting the Joint Mitigation Proposal could recommend that the Company mitigate the impacts of the increase in basic service rates through customer education, expansion and promotion of the Company's existing budget billing programs, and utilization of energy efficiency measures. While the Department agrees that these proposed mitigation efforts are reasonable to address higher energy supply costs that customers across the Commonwealth are experiencing, these mitigation efforts alone are not sufficient to address the unique circumstances at issue in this proceeding. However, as discussed above, on October 19, 2021, the Department issued a letter to all of the Commonwealth's electric and gas distribution companies regarding the generally high energy supply costs and the

hardships that these higher costs create for customers. In that letter, the Department directed the companies to promote budget billing programs, guide customers to appropriate assistance programs, and continue their efforts to increase education regarding energy efficiency programs.

For the reasons discussed above, the Department finds that it is reasonable and appropriate to accept the Joint Mitigation Proposal and recalculate Unitil's basic service rates for December 1, 2021 through May 31, 2022 and recover any uncollected amounts through the Company's Basic Service Adjustment charge (Schedule BSA, M.D.P.U. No. 376), from all distribution customers, over the period June 1, 2022 through December 31, 2022.

C. Conclusion

After review and due consideration of the comments, the Department finds that it is in the public interest to adopt the Joint Mitigation Proposal. Specifically, the Department finds that the unique circumstances of this proceeding – the Company's nontraditional solicitation process because of the uncertainty associated with the City of Fitchburg's municipal aggregation program and the higher than normal electric wholesale prices led to unprecedented basic service rates during a time when Unitil's customers are coping with the COVID-19 pandemic – make it appropriate to consider a rate mitigation approach that is consistent with our price stability policy, while providing efficient price signals. Therefore, the Company shall recalculate its basic service rates for effect December 1, 2021 as presented in the Joint Mitigation Proposal.

VI. ORDER

Accordingly, after due notice, opportunity for comments, and consideration, it is

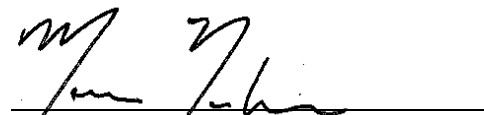
ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unutil's proposed basic service rates are DENIED; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unutil's Joint Mitigation Proposal is APPROVED; and it is

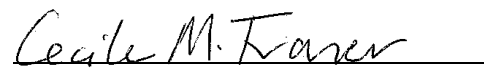
FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unutil shall recalculate its basic service rates consistent with directives contained in this Order and submit revised basic service filing, including illustrative tariffs, within two business days of this Order; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unutil shall comply with all other directives contained in this Order.

By Order of the Department,


Matthew H. Nelson, Chair


Robert E. Hayden, Commissioner


Cecile M. Fraser, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.