

Benson Testimony Regarding Fitchburg Gas & Electric Company (d/b/a Unitil) Rate Increase Hearing

I would like to thank the Department of Public Utilities for holding a rate increase hearing within the service area of Fitchburg Gas and Electric, a division of Unitil Corporation. As you may recall, the residents within this service area were heavily impacted by the ice storm of December 2008, which was the breaking point for many people after years of poor customer service and comparatively high rates. I believe this rate increase request is ill timed and unfair to the residents and businesses in this region.

In reviewing the request, the facts surrounding it, and the Company's own description of the request, I believe the request is not only unnecessary, but has been marketed in a dishonest manner. Company officials with whom I have communicated have claimed that this rate case would actually decrease residential bills, but the facts do not support this statement. The requested rate increase equals \$7,149,627. This figure includes December 2008 ice storm recovery costs. Unitil plans to recover these costs over several years but, even with this mitigating factor, the estimated increases for electric customers are as follows:

- A residential customer using up to 500 kWh of electricity per month will not experience any monthly bill increase or decrease;
- A residential customer using 771 kWh of electricity per month will experience a monthly bill increase of \$3.20 (a 2.3 percent increase in current rates), and;
- A residential customer using 920 kWh of electricity per month will experience a monthly bill increase of \$6.01 (a 3.6 percent increase in current rates).

Impacts to gas customers are far greater, and considering these customers would also be affected by the electric rate increases, the impact is significant. The Company has stated that its requested increase in its annual gas distribution revenues equals an estimated \$4,447,529 with an impact to gas customers as follows:

- A residential heating customer using 137 therms of gas per month during the Winter season will experience a monthly bill increase of \$41.51 (a 24.5 percent increase in current rates);
- A residential heating customer using 45 therms of gas per month during the Summer season will experience a monthly bill increase of \$11.51 (an 18.8 percent increase in current rates), and;

- A residential non-heating customer using 18 therms of gas per month during the year will experience a monthly bill increase of \$6.94 (a 23.7 percent increase in current rates).

To understand the context of these increases, I would like to ask the Commissioners to consider the past performance of the Company, which led up to a deplorable and dangerous response to the December 2008 ice storm. Prior to the ice storm event the Company had provided many years of poor customer service, lackluster maintenance around vegetation management and line replacement, inadequate emergency planning, and poor public safety communication and medically dependent customer record keeping. It is not an overstatement that it is due to the quick and exhaustive response by local public safety personnel and volunteers that no lives were lost and no significant injuries were sustained.

For Unutil to believe that now, after years of serious issues, the ratepayers within this service area should not only pay more, but should also pay the price for this organization's lack of preparedness and forethought is not only immoral but insulting. Clearly, this Company has a history that must be considered in total throughout this process.

I would like to thank the Commissioners for their consideration and attention to this matter.

Sincerely,

Jennifer Benson
State Representative, 37th Middlesex District