

Northern Utilities, Inc.-Maine Division

Docket No. 2017-00065

REVISED NOTICE TO CUSTOMERS OF PROCEEDING

(Please disregard the Company's prior notice of this proceeding)

As a valued customer, and as required by Maine law, we are writing to let you know that Northern Utilities, Inc. d/b/a Unitil recently filed a request to increase our natural gas distribution base rates effective July 1, 2017 with the Maine Public Utilities Commission, or "the Commission."

The proposed increase is to allow Unitil to recover costs associated with capital improvements to the distribution system and other increased costs of providing gas distribution service to our customers. These improvements will help ensure that our gas system continues to be operated in a safe and reliable manner, and will also support an increase in our capacity to serve a growing number of customers. The proposed base rate increase is being filed under the Maine law, found at 35-A M.R.S. § 307. This Notice to Customers is being sent as required by Chapter 110 § 8(A)(1)(c) of the Commission's Rules of Practice and Procedure.

The proposed increase in revenue is \$6.0 million. If Unitil's proposal is approved as requested, it will result in a 7 percent increase in current operating revenues, or a 14 percent increase in gas distribution revenues.

The proposed increase in natural gas bills for our customers, factoring in both distribution and current gas supply costs, will vary for different customer classes as shown in the table below. The proposed variations are due to differences in the underlying costs of providing service to each customer class and rate component, as documented in studies filed with the Commission in this proceeding.

Proposed increase in the average total bill, by customer class:

<u>Customer Class</u>	<u>Rate Class</u>	<u>Average Increase</u>	
		<u>Percentage</u>	<u>Monthly Per Customer</u>
Residential:			
Heating	R2	9.2	\$8.66
Non-Heating	R1	13.2	\$5.24
Commercial & Industrial:			
Low Annual/High Winter Use	G40	5.8	\$13.58
Medium Annual/High Winter Use	G41	4.6	\$83.62
High Annual/High Winter Use	G42	3.6	\$1,435.41
Low Annual/Low Winter Use	G50	7.1	\$12.62
Medium Annual/Low Winter Use	G51	5.0	\$72.19
High Annual/Low Winter Use	G52	3.8	\$1,008.54

In addition to the distribution base rate increase described above, Unitil is requesting that the Commission extend its targeted infrastructure replacement adjustment mechanism (TIRA), which enables the Company to recover the costs of certain improvements and upgrades to its gas distribution system. Unitil is requesting to recover TIRA-eligible investment costs through annual adjustments to

distribution rates beginning in May 2018 and continuing for three years thereafter. Recovery of investment through the TIRA is subject to annual review and approval of the Commission.

You may participate in this proceeding in one of three ways:

1. **You may register** on the Commission's Case Management System (CMS) to receive a notice whenever a party submits a new filing related to the case. Please visit <http://maine.gov/mpuc/online/index.shtml> for information on how to register and use CMS.
2. **You may petition to intervene.** If the Commission approves your petition, you will be able to participate in all hearings and negotiations related to the case. You must submit your petition through the Commission's CMS system. Your petition must include 1) the name and docket number of this proceeding; 2) the manner in which you are affected by this proceeding; 3) a short and plain statement of the nature and extent of the participation you seek; and 4) a statement of the nature of the evidence or argument you intend to submit. You may also submit your petition in writing via U.S. mail to:

Administrative Director, Maine Public Utilities Commission, 18 State House Station, Augusta, ME 04330-0017.

Your petition must be filed with the Commission no later than **July 14, 2017**.

3. **You may appear as a public witness** at a hearing, if a hearing is held, and give your views on the proposed increase. If you wish to request that the Commission hold a hearing, you must file a written request with the Administrative Director at the address set forth above, by **July 14, 2017**. THE COMMISSION MAY NOT PUBLISH ANY FURTHER NEWSPAPER NOTICES OF THIS PROCEEDING OR ANY HEARINGS. Persons who request a hearing will automatically be added to this mailing list as interested persons.
4. **You may file public comments regarding the proceeding through the Commission's CMS system.**

If you would like more information about the proceeding you may contact the Administrative Director of the Commission (207-287-3831) or Unitil's representative, Lisa Desrochers, Manager, Customer Relations (603-227-4570).