

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE**

**Section**

- 1.0 Purpose
- 2.0 Applicability
- 3.0 Costs Allowable for LDAC
- 4.0 Effective Date of Local Distribution Adjustment Factor
- 5.0 Definitions
- 6.0 Formulas
- 7.0 Reconciliation Adjustments
- 8.0 Application of LDAF to Bills
- 9.0 Information to be Filed with the Department
- 10.0 Other Rules
- 11.0 Customer Notification

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

1.0 PURPOSE

The Local Distribution Adjustment Clause (“LDAC”) establishes the procedures that allow Fitchburg Gas and Electric Light Company (“Company”), subject to the jurisdiction of the Department of Public Utilities (“Department”), to adjust its rates to recover Energy Efficiency (“EE”) costs, environmental response costs, FERC Order 636 transition costs, and costs incurred by the Company as a result of its participation in the Massachusetts Gas Unbundling Collaborative, costs associated with the Pension/PBOP Adjustment Factor, costs associated with the Residential Assistance Adjustment Clause, costs associated with the Attorney General Consultant Expense Factor, costs associated with the Gas System Enhancement Adjustment Factor, costs associated with the Exogenous Cost Adjustment Factor, costs associated with incremental supply procured to ensure there is sufficient supply to meet system hourly flow requirements, and to return to firm ratepayers balancing penalties, and a portion of interruptible transportation margins allocated to firm distribution services.

2.0 APPLICABILITY

This LDAC shall be applicable to all of the Company’s firm Customers. As stated in Section 10.0, the application of the clause may, for good cause shown, be modified by the Department.

3.0 COSTS ALLOWABLE FOR LDAC

Any costs recovered through the application of this LDAC shall be identified and explained in the Company’s annual filing as outlined in Section 9.0.

(1) ENERGY EFFICIENCY COSTS ALLOWABLE FOR LDAC

All EE costs, as approved by the Department.

(2) ENVIRONMENTAL RESPONSE COSTS ALLOWABLE FOR LDAC

All costs and other liabilities, adjusted for deferred tax benefits, associated with the investigation, testing, remediation and litigation relating to manufactured gas plant sites, disposal sites or other sites onto which material may have migrated as a result of the Manufactured Gas Process (“MGP”), as fully defined in the Department’s Order in DPU 89-161, may be included in the LDAC. In addition, one-half of the Insurance/Third-Party Expense less one-half of the Insurance/Third-Party Recovery, both as defined in Section 5.0, may be included.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

(3) FERC ORDER 636 TRANSITION COSTS ALLOWABLE FOR LDAC

All costs as defined and approved by the FERC, other than those transition costs pertaining to Account No. 191, including: (1) gas supply realignment or GSR costs; (2) stranded costs; and (3) new facilities costs, may be included in the LDAC.

(4) INTERRUPTIBLE TRANSPORTATION MARGIN ALLOWABLE FOR LDAC

Any profits on nonfirm transportation, less any margin sharing. Margin sharing shall be calculated in accordance with Order D.P.U. 93-141-A dated February 14, 1996 on nonfirm transportation contracts entered into or renewed prior to February 20, 2013, and in accordance with Order D.P.U. 10-62-A dated February 19, 2013 on nonfirm transportation contracts entered into or renewed on and after February 20, 2013.

(5) BALANCING PENALTY REVENUES ALLOWABLE FOR LDAC

Penalty revenues collected by the Company in accordance with its Terms and Conditions.

(6) UNBUNDLING COSTS ALLOWABLE FOR LDAC

All costs the Company has incurred for its participation in the Massachusetts Gas Unbundling Collaborative.

(7) PENSION/PBOP ADJUSTMENT FACTOR

Costs associated with the Company's Pension/PBOP Adjustment Factor tariff will be included in the LDAC, as approved by the Department.

(8) RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

Costs associated with the Company's Residential Assistance Adjustment Clause tariff will be included in the LDAC, as approved by the Department.

(9) ATTORNEY GENERAL CONSULTANT EXPENSE FACTOR

Costs associated with the Company's Attorney General Consultant Expense Factor tariff will be included in the LDAC, as approved by the Department.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

**(10) GAS SYSTEM ENHANCEMENT ADJUSTMENT FACTOR**

Costs associated with the Company's Gas System Enhancement Adjustment Factor tariff will be included in the LDAC, as approved by the Department.

**(11) EXOGENOUS COST ADJUSTMENT FACTOR**

Costs associated with the Company's Exogenous Cost Adjustment Factor tariff will be included in the LDAC, as approved by the Department.

**(12) SYSTEM SUPPLY FACTOR ALLOWABLE FOR LDAC**

All costs associated with the purchase of incremental supply to ensure sufficient supply is available to meet the hourly requirements needed to ensure there is adequate pressures into the distribution system. Identified amounts shall include all fixed and variable gas supply costs required on an annual basis to meet these requirements, as well as a re-allocation of gas supply costs incurred to meet these requirements from the Company's cost of gas adjustment factor clause to this LDAC.

**4.0 EFFECTIVE DATE OF LOCAL DISTRIBUTION ADJUSTMENT FACTOR**

The date on which the Local Distribution Adjustment Factor ("LDAF") becomes effective will be May 1st and November 1st of each year, unless otherwise approved by the Department.

**5.0 DEFINITIONS**

The following terms shall be as defined in this paragraph, unless the context requires otherwise:

Balancing Penalties ("BP")	Penalty revenues collected by the Company in accordance with its Terms and Conditions.
Balancing Penalties Reconciliation Adjustment ("RBP")	The balance in Account 173.11 as outlined in Section 7.0(4), inclusive of associated Account 173.11 interest.
Class Contribution To Low-Income Program Funding ("CCPF")	The cost to the Residential and Commercial and Industrial classes to fund the Program Costs and Performance Incentive for the Residential Low-Income classes.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

Cost of Debt (“CD”)                      The debt component of the rate of return as approved by the Department in the Company’s most recent base rate case.

Cost of Equity (“CE”)                      The equity component of the rate of return as approved by the Department in the Company’s most recent base rate case.

Deferred Tax Benefit (“DTB”)                      The Unamortized Environmental Response Costs multiplied by the Effective Tax Rate and by the Tax Adjusted Cost of Capital.

Effective Tax Rate (“TR”)                      The combined effective state and federal income tax rate.

Distribution Revenue Allocator (“DRA”)                      The Distribution Revenue Allocator is derived from the Company’s most recent base rate case or as otherwise approved by the Department, and shall be as follows, effective with the next scheduled rate change:

	For scheduled rate changes on and after March 1, 2023	For scheduled rate changes on and after November 1, 2024
Residential	60.28%	61.17%
Small General Service	13.53%	13.23%
Medium General Service	14.54%	14.41%
Large General Service	11.65%	11.19%

Energy Efficiency Charge Reconciliation (“REEC”)                      The balance in Account 173.09 as outlined in Section 7.0(3), inclusive of the associated Account 173.09 interest.

Energy Efficiency Rate Sector (“eers”)                      The Energy Efficiency Rate Sector is used to designate separate costs and revenues for the residential classes and the General Service classes as part of the Company’s Energy Efficiency Charge.

Environmental Response Costs (“ERC”)                      All costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas plant sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of Massachusetts gas manufacturing facilities.

Forecasted Gas                      Forecasted gas costs associated with supply used to maintain

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

Costs (“FGC”)	capacity requirements, including both demand and commodity costs.
Forecasted Gas Costs Reconciliation Adjustment (“Rss”)	The balance in Account 173.01.39 as outlined in Section 7.0(7), inclusive of the associated Account 173.01.39 interest.
Insurance/Third-Party Expense (“IE”)	Any expense incurred by the Company in pursuing insurance and third-party MGP claims.
Insurance/Third-Party Recovery (“IR”)	Any recovery received by the Company as a result of insurance and third-party MGP claims net of any Insurance/Third-Party Expenses not collected from ratepayers.
Interruptible Transportation Margin (“ITM”)	Any profits on nonfirm transportation as calculated by forecasting nonfirm rates, costs and associated transportation volumes for the twelve-month period. This amount is adjusted to account for margin sharing, calculated in accordance with Order D.P.U. 93-141-A dated February 14, 1996 and Order D.P.U. 10-62-A dated February 19, 2013.
Interruptible Transportation Margin Credit Reconciliation Adjustment (“R <sub>ITM</sub> ”)	The balance in Account 173.01 as outlined in Section 7.0(5), inclusive of the associated Account 173.01 interest.
Number of Days Lag (“DL”)	The number of days lag to calculate the purchased gas working capital requirement as defined in the Company’s most recently available Lead Lag Study except that the 45 day convention shall be used for unbundling cost working capital.
Performance Incentive (“PI”)	The Performance Incentive represents the dollars earned by the Company for achieving its energy efficiency savings and performance goals for a particular program year, as established in the Company’s pre-approved energy efficiency plan. Incentives are earned based on these pre-approved goals and measures, and only after review and approval by the Department.
Program Costs (“PC”)	Energy Efficiency program costs, including the costs associated with the Residential Energy Conservation Service (“RCS”) program.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

Rate Class Group (“s”)	The Rate Class Group is the combination of similar rate classes, as follows: The Residential group is the combination of R-1, R-2, R-3 and R-4; the Small General Service group is the combination of G-41 and G-51; the Medium General Service group is the combination of G-42 and G-52; and the Large General Service group is the combination of G-43 and G-53.
Remediation Adjustment Clause Reconciliation Adjustment (“R <sub>RAC</sub> ”)	The balance in Account 173.06 as outlined in Section 7.0(1).
Tax Adjusted Cost of Capital	The sum of (1) the Cost of Debt and (2) the Cost of Equity divided by one minus the Effective Tax Rate.
Therm	An amount of gas having a thermal content of 100,000 Btus.
Total Throughput (“T:Thru”)	Forecasted firm throughput volumes in Therms for twelve consecutive months.
Transition Costs (“TC”)	Costs associated with the implementation of FERC Order 636, including (1) gas supply realignment or GSR costs, (2) stranded costs and (3) new facilities costs.
Transition Cost Reconciliation Transition Cost Adjustment (“R <sub>TC</sub> ”)	The balance in Account 173.08 as outlined in Section 7.0(2), inclusive of the associated Account 173.08 interest and working capital.
Transition Cost Working Capital Allowance (“TCWC”)	The allowable working capital cost derived from the Transition Cost Working Capital Requirement.
Transition Cost Working Capital Requirement (“TCWC <sub>req</sub> ”)	The allowable working capital derived from FERC Order 636 Transition Costs.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

Unamortized Environmental Response Costs ("UERC")	The portion of the Environmental Response Costs approved for recovery but not yet included in any LDAC recovery calculation.
Unbundling Cost ("UC")	All costs the Company has incurred for its participation in the Massachusetts Gas Unbundling Collaborative.
Unbundling Cost Reconciliation Adjustment ("RUC")	The balance in Account 173.10 as outlined in Section 7.0(6), inclusive of the associated Account 173.10 interest and Unbundling Cost working capital.
Unbundling Cost Working Capital Allowance ("UCWC")	The allowable working capital cost derived from the Unbundling Cost Working Capital Requirement.
Unbundling Cost Working Capital Requirement ("UCWCreq")	The allowable working capital derived from Unbundling Cost.

6.0 FORMULAS

(1) Local Distribution Adjustment Factor ("LDAF")

The LDAF shall comprise an annual Energy Efficiency Charge ("EEC"), the Remediation Adjustment Factor ("RAF"), the Transition Cost Factor ("TCF"), the Balancing Penalty Credit Factor ("BPCF"), the Interruptible Transportation Margin Credit ("ITMC") and the Unbundling Cost Factor ("UCF"), calculated according to the formula below. For billing purposes, the LDAF will also include the Pension/PBOP Adjustment Factor ("PAF"), the Residential Assistance Adjustment Factor ("RAAF"), the Attorney General Consultant Expense Factor ("AGCEF"), the Gas System Enhancement Adjustment Factor ("GSEAF"), the Gas System Enhancement Reconciliation Adjustment Factor ("GSERAF"), the Exogenous Cost Adjustment Factor ("ECAF"), and the System Supply Factor ("SSF"). All components except for the GSEAF and ECAF become effective November 1. The GSEAF will become effective May 1 of each year. The ECAF will become effective March 1 of each year.

$$\text{LDAFs} = \text{EECers} + \text{RAFs} + \text{TCFs} - \text{BPCFs} - \text{ITMCs} + \text{UCFs} + \text{PAFs} + \text{RAAFs} + \text{AGCEFs} + \text{GSEAFs} + \text{GSERAFs} + \text{ECAFs} + \text{SSF}$$



**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

(2) Energy Efficiency Charge

As part of its Energy Efficiency Three-Year Plan, the Company forecasts Program Costs and Performance Incentive for its Customers for each year of its Three-Year Plan. The total of such costs for each twelve-month period November through October, for both the Residential and the Commercial and Industrial classes, plus any prior period Reconciliation, plus each class' contribution to Low-Income Program Funding is divided by the Total Throughput for each class as forecast by the Company for the same annual period.

The EEC is calculated according to the following formula:

$$EEC_{eers} = \frac{(PC_{eers} + R_{EEC_{eers}} + PI_{eers}) + (CCPF * DR_{A_{eers}})}{T:Thru_{eers}}$$

The resulting annual Energy Efficiency Charge shall be incorporated within the calculation of the LDAFs applied to firm Customers during each such twelve month period.

(3) Remediation Adjustment Factor

The RAF consists of one-seventh of the actual Environmental Response Costs incurred by the Company in any calendar year for each year until fully amortized, less a deferred tax benefit, plus one-half of insurance and third-party expenses for the calendar year, less one-half of the insurance and third-party recoveries for the calendar year, plus the prior year's RAF reconciliation adjustment. This amount is then divided by the Company's forecast of total firm throughput volumes for the upcoming year.

The Deferred Tax Benefit is calculated by applying the Effective Tax Rate to the Company's Unamortized Environmental Response Costs to arrive at the deferred tax. The deferred tax is then multiplied by the Tax Adjusted Cost of Capital to arrive at the Deferred Tax Benefit.

The RAF shall be calculated according to the following formula:

$$RAF_s = \frac{(\text{Sum}(ERC/7) - DTB + ((IE - IR)*0.5) + R_{RAC}) * DR_{As}}{T:Thrus}$$

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

where:

$$DTB = UERC * TR * (CD + (CE/(1-TR)))$$

(4) Transition Cost Factor

The TCF shall be calculated by dividing a 12 month forecast of Transition Costs, including working capital, and reconciliation amount by the firm throughput for the same period according to the following formula:

$$TCFs = \frac{(TC + R_{TC} + TCWC) * DRAs}{T:Thrus}$$

where:

$$TCWC = TCWC_{req} * (CD + (CE/(1-TR)))$$

and

$$TCWC_{req} = TC * (DL/365)$$

(5) Balancing Penalty Credit Factor

The BPFC shall be calculated by dividing a 12 month forecast of Balancing Penalties, and reconciliation amount by the firm throughput for the same period according to the following formula:

$$BPCFs = \frac{(BP + R_{BP}) * DRAs}{T:Thrus}$$

(6) Interruptible Transportation Margin Credit Factor

The ITMC shall be calculated by dividing a 12 month forecast of Interruptible Transportation Margins and reconciliation amount by the firm throughput for the same period according to the following formula:

$$ITMCs = \frac{(ITM + R_{ITM}) * DRAs}{T:Thrus}$$

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

(7) Unbundling Cost Factor

The UCF shall be calculated by dividing half of a 12 month forecast of Unbundling Costs, including working capital, and reconciliation amounts by the firm throughput for the same period according to the following formula:

$$\text{UCFs} = \frac{[ (\text{UC} + \text{R}_{\text{UC}} + \text{UCWC}) * 0.5 ] * \text{DRAs}}{\text{T:Thrus}}$$

where:

$$\text{UCWC} = \text{UCWC}_{\text{req}} * (\text{CD} + (\text{CE}/(1-\text{TR})))$$

and

$$\text{UCWC}_{\text{req}} = \text{UC} * (\text{DL}/365)$$

(8) System Supply Factor

The SSF shall be calculated by dividing a 12 month forecast of costs associated with supply used to maintain capacity requirements, including both demand and commodity costs, and reconciliation amount by the firm throughput for the same period according to the following formula:

$$\text{SSF} = \frac{\text{FGC} + \text{R}_{\text{ss}}}{\text{T:Thru}}$$

7.0 RECONCILIATION ADJUSTMENTS

All reconciliations are to be made to actual costs.

(1) Environmental Response Cost

(a) Remediation Adjustment Clause expenses allowable per the RAF formula:

- i. One-seventh of each calendar year's Environmental Response Cost less the Deferred Tax Benefit.
- ii. One-half of the Insurance/Third-Party Expense, less one-half of the Insurance/Third-Party Expense.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

- (b) The RAF portion of the LDAF will be used as the convention for recognizing revenue toward the Environmental Response Cost.
- (c) Account 173.06 shall contain the accumulated difference between the actual Environmental Response Cost allowable per the RAF formula and the revenue toward Environmental Response Cost as calculated by multiplying the RAF times firm throughput volumes.
- (d) The RAF Reconciliation Adjustment shall be taken as the Account 173.06 balance as of October 31st of each year.
- (2) Transition Costs
  - (a) FERC 636 Transition Costs other than Account No. 191 costs allowable per the TCF formula:
    - i. Gas Supply Realignment costs (“GSR costs”)
    - ii. Asset costs not directly assignable to Customers of unbundled services (“Stranded Costs”).
    - iii. Other costs associated with the implementation of Order No. 636 (“New Facility Costs”).
  - (b) The TCF portion of the LDAF will be used as the convention for recognizing revenue toward the Transition Costs and Transition Cost Working Capital.
  - (c) Account 173.08 shall contain the accumulated difference between the Transition Costs allowable per the TCF formula and the revenue toward Transition Costs as calculated by multiplying the TCF times firm throughput volumes. Interest shall be calculated on the average monthly balance of Account 173.08 using the Bank of America’s, or its successor’s, prime lending rate, then added to each end-of-month balance.
  - (d) The TCF Reconciliation Adjustment shall be taken as the Account 173.08 balance as of October 31st of each year.
- (3) Energy Efficiency Costs
  - (a) Energy Efficiency Costs allowable per the EEC formula:

All EE costs, as approved by the Department.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

- (b) The EEC portion of the LDAF will be used as the convention for recognizing revenue toward the Energy Efficiency Costs.
- (c) Account 173.09 shall contain the accumulated difference between the actual Energy Efficiency Costs allowable per the EEC formula and the revenue toward Energy Efficiency Costs as calculated by multiplying the EEC times firm throughput volumes.

Interest shall be calculated on the average monthly balance of Account 173.09 using the Bank of America's, or its successor's, prime lending rate, then added to each end-of-month balance.

- (d) The EEC Reconciliation Adjustment shall be taken as the Account 173.09 balance as of October 31<sup>st</sup> of each year.

(4) Balancing Penalties

- (a) Balancing Penalties allowable per the BPCF formula:

Penalty revenues collected by the Company in accordance with its Terms and Conditions.

- (b) The BPCF portion of the LDAF will be used as the convention for recognizing revenue toward the Balancing Penalty costs.
- (c) Account 173.11 shall contain the accumulated difference between the actual Balancing Penalties allowable per the BPCF formula and the revenue toward Balancing Penalties as calculated by multiplying the BPCF times firm throughput volumes. Interest shall be calculated on the average monthly balance of Account 173.11 using the Bank of America's, or its successor's, prime lending rate, then added to each end-of-month balance.
- (d) The BPCF Reconciliation Adjustment shall be taken as the Account 173.11 balance as of October 31<sup>st</sup> of each year.

(5) Interruptible Transportation Margin

- (a) Interruptible Transportation Margin allowable per the ITMC formula:

The margins associated with the interruptible transportation of gas, less any margin sharing. Margin sharing shall be calculated in accordance with Order

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

D.P.U. 93-141-A dated February 14, 1996 on nonfirm transportation contracts entered into or renewed prior to February 20, 2013, and in accordance with Order D.P.U. 10-62-A dated February 19, 2013 on nonfirm transportation contracts entered into or renewed on and after February 20, 2013.

- (b) The ITMC portion of the LDAF will be used as the convention for recognizing revenues toward interruptible transportation margins.
- (c) Account 173.01 shall contain the accumulated difference between the actual Interruptible Transportation Margin allowable per the ITMC formula and the revenue toward Interruptible Transportation Margin as calculated by multiplying the ITMC by firm throughput volumes. Interest shall be calculated on the average monthly balance of Account 173.01 using the Bank of America's, or its successor's, prime lending rate, then added to each end-of-month balance.
- (d) The ITMC Reconciliation Adjustment shall be taken as the Account 173.01 balance as of October 31st of each year.
- (6) Unbundling Costs
  - (a) Unbundling Costs allowable per the UCF formula:

All costs the Company has incurred for its participation in the Massachusetts Gas Unbundling Collaborative.
  - (b) The UCF portion of the LDAF will be used as the convention for recognizing revenue toward the Unbundling Costs and Unbundling Cost Working Capital.
  - (c) Account 173.10 shall contain the accumulated difference between the Unbundling Costs allowable per the UCF formula and the revenue toward Unbundling Costs as calculated by multiplying the UCF times firm throughput volumes. Interest shall be calculated on the average monthly balance of Account 173.10 using Bank of America's, or its successor's, prime lending rate, then added to each end of month balance.
  - (d) The UCF Reconciliation Adjustment shall be taken as the Account 173.10 balance as of October 31st of each year.
- (7) System Supply
  - (a) System Supply costs allowable per the SSF formula:

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

Incremental supply costs incurred in order to ensure sufficient supply is available to meet the hourly requirements needed to ensure there is adequate pressures into the distribution system.

- (b) The SSF portion of the LDAF will be used as the convention for recognizing revenue toward the costs associated with supply used to maintain capacity requirements.
- (c) Account 173.01.39 shall contain the accumulated difference between the System Supply costs allowable per the SSF formula and the revenue toward System Supply costs as calculated by multiplying the SSF times firm throughput volumes. Interest shall be calculated on the average monthly balance of Account 173.01.39 using Bank of America's, or its successor's, prime lending rate, then added to each end of month balance.
- (d) The SSF Reconciliation Adjustment shall be taken as the Account 173.01.39 balance as of October 31st of each year.

8.0 APPLICATION OF LDAF TO BILLS

The LDAF will be applied to the monthly firm distribution volumes for each Customer. The LDAF shall be calculated to the nearest one hundredth of a cent per Therm.

9.0 INFORMATION TO BE FILED WITH THE DEPARTMENT

Information pertaining to the LDAF shall be filed with the Department in accordance with the standardized forms approved by the Department. Required filings include a monthly report which shall be submitted to the Department on the twentieth of each month, and an LDAF filing which shall be submitted to the Department at least 90 days before the date on which the new LDAF is to be effective, and an annual RAC filing which shall be submitted at least 90 days before the date on which the new LDAF is to be effective.

Additionally, the Company shall file with the Department a complete list by (sub)account of all local distribution costs claimed as recoverable through the LDAC over the previous year, as included in the annual reconciliation. This information shall be submitted with each annual LDAF filing, along with complete documentation of the reconciliation adjustment calculations.

10.0 OTHER RULES

The Department may, where appropriate, on petition or on its own motion, grant an exception from the provisions of the applicable regulations and this rate schedule, upon such terms that it may determine to be in the public interest.

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
LOCAL DISTRIBUTION ADJUSTMENT CLAUSE (continued)**

At any time, the Department may require the Company to file, or the Company may file with the Department, an amended LDAF. Said filing must be submitted seven (7) business days before the proposed effective date of the amended LDAF.

The operation of this rate schedule is subject to all powers of suspension and investigation vested in the Department by Chapter 164 of the General Laws of the Commonwealth of Massachusetts.

**11.0 CUSTOMER NOTIFICATION**

The Company will design a notice which explains in simple terms to customers the LDAF, the nature of any change in the LDAF, and the manner in which the LDAF is applied to the bill. The Company will submit this notice for approval at the time of each LDAF filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its customers either through direct mail or with its bills.