

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS

1. General

This Tariff may be revised, amended, supplemented or supplanted in whole or in part from time to time according to the procedures provided in MDPU regulations and Massachusetts law. In case of conflict between this Tariff and any orders or regulations of the MDPU, said orders or regulations shall govern.

2. Definitions

- A. "Basic Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving Generation Service from a Competitive Supplier in accordance with the provisions set forth in this tariff.
- B. "Company" shall mean Fitchburg Gas and Electric Light Company.
- C. "Competitive Supplier" shall mean any entity licensed by the MDPU to sell electricity to retail Customers in Massachusetts, with the following exceptions: (1) a Distribution Company providing Basic Service to its distribution Customers, and (2) a municipal light department that is acting as a Distribution Company. A Competitive Supplier can sell electricity directly to retail Customers or through a Municipal Aggregator.
- D. "Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.
- E. "Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.
- F. "Distribution Company" shall mean an electric company organized under the laws of Massachusetts that provides Distribution Service in Massachusetts.
- G. "Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company.
- H. "Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Supplier.
- I. "ISO-NE" shall mean the ISO New England Inc.
- J. "MDPU" shall mean the Massachusetts Department of Public Utilities.
- K. "Municipal Aggregator" shall mean an entity that is comprised of a municipality or a group of municipalities, or duly authorized board or agency thereof, that is providing retail load aggregation pursuant to the M.G.L. c. 164, §134.
- L. "RFP" shall mean request for proposals to provide Basic Service supply.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

3. Availability

Basic Service shall be available to any Customer who is not receiving Generation Service from a Competitive Supplier.

4. Rates

Basic Service rates for all residential service, small general service, regular general service, and outdoor lighting service customers, as set forth below, are based on the solicitation of bids through the RFP process. The Company evaluates bid prices based on factors such as the number of bidders participating, the number of bids received and the distribution of bid prices. In the event that the RFP does not result in sufficient bids to supply Basic Service, or results in unreasonable bid prices, the Company may elect to self-supply from the ISO-NE markets, using the procedure outlined in section 5. Basic Service Alternative Procurement.

Fixed Pricing Option:

This pricing option is available to all customers other than GD-3 customers, whose monthly rate is determined by Market Based Pricing.

Effective January 1, 2001, all residential customers on Schedules RD-1 and RD-2 and small general service customers on Schedule GD-1 receiving Basic Service will automatically be placed on this fixed rate, unless the Customer elects the Variable Monthly Pricing Option.

For customers on Schedules RD-1, RD-2, GD-1, GD-2, GD-4, GD-5, SD, and SDC, the fixed rate will remain the same for six months at a time, except as described below, and will be based on the winning bid(s) accepted by the Company from suppliers or from the monthly prices for self-supply, if applicable. Customers assigned to this Fixed Pricing Option may choose the Variable Monthly Pricing Option. Customers electing the Variable Monthly Pricing Option will not have the opportunity to switch back to the Fixed Pricing Option for as long as the Customer continues to receive uninterrupted Basic Service.

Monthly bills will be recalculated for GD-2, GD-4, GD-5, SD, and SDC Customers who are on the Fixed Pricing Option for Basic Service and decide to switch to a competitive supplier before the six-month period is over. The electric bill for the period of the fixed six month rate will be recalculated using the monthly variable rate for that period. This ensures that these consumers pay the actual cost of electricity they have used. This adjustment may be a credit or a debit, and will be reflected on the first bill after the switch is effective.

Residential customers on Schedules RD-1 and RD-2 and small general service customers on Schedule GD-1 who switch to a competitive supplier and later return to Basic Service will be

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

initially placed on the Fixed Pricing Option unless the Customer elects the Variable Monthly Pricing Option.

The rates for Fixed Pricing Option Basic Service shall be as provided in Schedule SR as in effect from time to time.

Variable Monthly Pricing Option:

This option is available to all customers other than GD-3 customers.

Effective January 1, 2001, general service customers on Schedules GD-2, GD-4, and GD-5 and outdoor lighting customers on Schedules SD and SDC receiving Basic Service will automatically be placed on this variable monthly rate option, unless the Customer elects the Fixed Pricing Option.

The variable rate will change from month to month reflecting the actual monthly price from the applicable winning bid(s) for each month of the period or from the monthly prices for self-supply, if applicable. The monthly rates will be established at the beginning of the rate period and are subject to adjustment as described below.

Customers assigned to the Variable Monthly Pricing Option may choose the Fixed Pricing Option. Customers electing the Fixed Pricing Option will not have the opportunity to switch back to the Variable Monthly Pricing Option for as long as the Customer continues to receive uninterrupted Basic Service.

General service customers on Schedules GD-2, GD-4, and GD-5 and outdoor lighting customers on Schedules SD and SDC who decide to switch to a competitive supplier and later return to Basic Service will be initially placed on the Variable Monthly Pricing Option, unless the Customer elects the Fixed Pricing Option.

The rates for Variable Monthly Pricing Option Basic Service shall be as provided in Schedule SR as in effect from time to time.

Adjustments to Fixed Pricing and Variable Monthly Pricing:

In accordance with MDPU order in DPU 22-BSF-A4 dated September 14, 2022, the fixed and monthly rates effective December 1, 2022 shall be effective for an eight month period ending July 31, 2023, then return to six month periods thereafter, August 1 through January 31, and February 1 through July 31, of each year.

When self-supply Basic Service is in effect, the fixed and monthly rates may be adjusted in accordance with section 5.C Interim Price Adjustment for Self-Supply Basic Service.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

Large General Service GD-3 - Market Based Pricing:

Basic Service prices for Customers on Schedule GD-3 will be determined monthly on an after the fact basis. For GD-3 Customers, Schedule SR will list “MARKET” in the Variable Monthly Pricing Option column and “N/A” in the Fixed Pricing Option column. The monthly price will be determined using the ISO-NE hourly locational marginal prices for the West Central Massachusetts load zone, Capacity Supply Obligation charges assessed by ISO-NE, and a wholesale cost adder of ten percent to cover ancillary services charges. The locational marginal prices will be weighted by the wholesale hourly kWh volumes of the Company’s Schedule GD-3 Basic Service Customers and adjusted for the distribution losses shown in the Terms and Conditions for Competitive Suppliers, Appendix A. The wholesale cost adder of ten percent will be applied to the sum of the locational marginal price charges and the Capacity Supply Obligation charges. The monthly price will also include the estimated retail cost of Renewable Energy Certificates and the Basic Service Costs Adder.

Customer Notice

Customers will be notified of changes in Basic Service rates in advance of their effective dates in accordance with guidelines set forth by the MDPU, as may be amended from time to time. Such notifications will be made in a variety of manners including a toll free number, the Company's website, bill inserts, and bill messages. Notification of rates will be made via the Company's website at www.unitil.com and a toll free number 30 days in advance of the effective date, but this information will not be available to GD-3 customers since their monthly rate is determined by Market Based Pricing. Basic Service Customers will receive 60 day notification of upcoming rate changes via a bill message and 30 day notification of the new rates via a bill message. All Customers will receive a bill insert explaining Basic Service in the billing cycle prior to the rate change. Any adjustments made to the rates during the rate period will be posted on the Company’s website at www.unitil.com and included in a bill message. When Market Based Pricing is determined each month, it will be posted on the Company’s website at www.unitil.com.

5. Basic Service Alternative Procurement (for Residential Service, Small General Service, Regular General Service and Outdoor Lighting Service Customers)

Basic Service pricing is established through a competitive RFP process. Failure to procure supply pricing due to lack of bids or unsatisfactory bids may result in an alternative procurement process.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

A. Criteria for Failed Procurements

A failed procurement is one in which (1) no bids are received from wholesale suppliers, or (2) the bid price(s) received from wholesale suppliers are determined by the Company to be unreasonably high or not reflective of the underlying market conditions.

On the day supplier bids are received, the Company evaluates the RFP responses to determine the success or failure of the procurement. The Company evaluates bid prices based on factors such as the number of bidders participating, the number of bids received and the distribution of bid prices and compares the bids received to a current proxy supply price that accounts for the cost of energy, capacity and other cost elements.

B. Alternative Procurement Practices and Supply Pricing

In the event of a failed procurement, the Company will attempt to procure the impacted supply in a subsequent RFP, if possible. If there is no scheduled RFP prior to the impacted rate period, then the Company will proceed with market-based procurements in the ISO-NE markets to self-supply. The Company will use its calculated proxy price as the representative rate for the self-supply period, plus adders for renewable energy.

Under a market-based procurement for self-supply, the Company will purchase energy, capacity, and other wholesale market products and related services from the ISO-NE market as a price-taker at the settled price. The Company assumes responsibility for managing the relevant load asset in the ISO-NE wholesale power market and makes purchases in any combination of the day-ahead or real-time energy markets.

C. Interim Price Adjustment for Self-Supply Basic Service

When Basic Service pricing is established under self-supply, the effective self-supplied Basic Service price may be adjusted for changes in wholesale electricity futures prices. The Company will seek an adjustment of its fixed and variable rates if the projected wholesale power supply costs for the balance of the period vary by more than 20 percent from the wholesale power supply costs projected over the same period at the time the Basic Service rates were set. Such evaluation of changes in future wholesale electricity prices on expected Basic Service costs will be completed each month in which a self-supply Basic Service price is in effect. The Company shall file any necessary rate adjustments for MDPU approval no later than the 15th of the month prior to the proposed effective date.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

6. Billing

Each Customer receiving Basic Service shall receive one bill from the Company, reflecting unbundled charges for their electric service.

7. Initiation of Basic Service

Basic service may be initiated in any of the following manners:

- A. A Customer who is receiving Generation Service from a Competitive Supplier notifies the Company that he wishes to terminate such service and receive Basic Service. In this instance, Basic Service shall be initiated within two (2) business days of such notification for residential Customers. For other Customers, Basic Service shall be initiated concurrent with the Customer's next scheduled meter read date, provided that the Customer has provided such notification to the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers. If the Customer provided such notification fewer than two (2) days before the Customer's next scheduled meter read date, Basic Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;
- B. A Competitive Supplier notifies the Company that it shall terminate Generation Service to a Customer. In this instance, Basic Service shall be initiated for the Customer concurrent with the Customer's next scheduled meter read date, provided that the notice of termination of Generation Service is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers. If the notice of termination is received fewer than two (2) days before the Customer's next scheduled meter read date, Basic Service shall be initiated concurrent with the Customer's subsequent scheduled meter read date;
- C. A Competitive Supplier ceases to provide Generation Service to a Customer, without notification to the Company. In this instance, Basic Service to the Customer shall be initiated immediately upon the cessation of Generation Service.

8. Termination of Basic Service

Basic Service may be terminated by a Customer concurrent with the Customer's next scheduled meter read date provided that notice of initiation of Generation Service by a Competitive Supplier is received by the Company two (2) or more business days before the next scheduled meter read date, in accordance with the Company's Terms and Conditions for Competitive Suppliers.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

If the notice of initiation of Generation Service by the Competitive Supplier is received by the Company fewer than two days before the Customer's next scheduled meter read date, Basic Service shall be terminated concurrent with the Customer's subsequent scheduled meter read date.

There shall be no fee for terminating Basic Service.

9. Reconciliation of Basic Service Costs

At the end of each calendar year, the Company shall reconcile recoveries with the cost of Basic Service pursuant to the Company's Basic Service Adjustment - Schedule BSA, MDPU No. 415. These costs include the wholesale supply costs billed to FG&E including Qualifying Facilities and On-Site Generating Facilities which are not reported to, and reimbursed by, ISO-NE, the cost of Renewable Energy Certificates purchased for Basic Service in compliance with 225 CMR 14.00 – Renewable Energy Portfolio Standard, and the FERC approved costs billed to the Company by ISO-NE for the operation of the New England Power Pool (“NEPOOL”) Generation Information System (“GIS”). GIS costs are billed to the Company pursuant to the Attribute Laws, as defined in the NEPOOL cost allocation document. Renewable Energy Certificates are the title or claim for the generation attributes associated with a Renewable Generator that is compliant with the definition of a New Renewable Generation Source as found in 225 CMR 14.00 – Renewable Energy Portfolio Standard. The February 29, 2008 Base Rate Reduction balance, including any associated prior period adjustments and revenue, shall also be included.

Recoveries and costs associated with the Basic Service Costs Adder shall be excluded from this reconciliation since the Basic Service Costs Adder is separately reconciled as discussed below.

10. Basic Service Costs Adder

Effective June 1, 2005, the Basic Service rates will include the Basic Service Costs Adder. The Company shall perform an annual reconciliation of recoveries with the costs of the Basic Service Costs Adder and credit or charge any imbalances, with interest, in the computation of the Basic Service Costs Adder for the following twelve month period. Interest shall be calculated using the prime rate after tax (i.e. prime rate * (1 – tax rate)). The tax rate shall be the combined federal and state income tax rate. The prime rate is to be fixed on a quarterly basis and established as reported in The WALL STREET JOURNAL on the first business day of the month preceding the calendar quarter; if more than one rate is reported, the average of the reported rates shall be used. This reconciliation shall be filed at least 90 days prior to the effective date of the proposed rate change. The filing shall include

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

documentation supporting the proposed rate, explaining the reconciliation calculations of billed revenues and costs incurred. The Company may file to change the factor at any time should significant over- or under-recoveries occur or be expected to occur.

The Basic Service Costs Adder shall include the following costs associated with Basic Service:

A. Cost of Working Capital, calculated as follows,

Cost of Working Capital = Working Capital Requirement * Tax Adjusted Cost of Capital,

where:

Working Capital Requirement = Supplier Costs * Number of Days Lag/365

Number of Days Lag is the number of days lag, for wholesale or self-supply, to calculate the purchased power working capital requirement as defined in the Company's most recent Lead Lag Study approved by the Department,

Tax Adjusted Cost of Capital = Cost of Debt + (Cost of Equity/(1-Effective Tax Rate))

where:

The Cost of Debt is the debt component of the rate of return as approved by the Department in the Company's most recent base rate case,

The Cost of Equity is the equity component of the rate of return as approved by the Department in the Company's most recent base rate case, and

The Effective Tax Rate is the combined effective state and federal income tax rate;

- B. Bad Debt Costs which shall equal the uncollected costs associated with electric supply.
- C. Plus a fixed Administrative Cost Adjustment ("ACA") of \$0.00056. This adder recovers the (1) administrative cost of compliance with Massachusetts Renewable Energy Portfolio Standard, 225 CMR 14-16 and Clean Energy Standard, 310 CMR 7.75. Annually, these costs are \$22,866.24;
- (2) cost of the design and implementation of competitive bidding process, including evaluation of supplier bids and contract negotiations, and ongoing administration and execution of contracts with suppliers, including accounting activities necessary to track payments made to suppliers. Annually, these costs shall be \$38,984.39; and

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
BASIC SERVICE
SCHEDULE BS (continued)

(3) cost of compliance with MDPU's regulatory requirements including required communication with Basic Service customers pursuant to 220 CMR 11.06. Annually, these costs shall be \$34,125.33. Annually the costs above sum to \$95,975.96. The revenues shall be credited to the Revenue Decoupling Adjustment Factor balance.

- D. Effective May 1, 2010 the Basic Service Costs Adder will include prudently-incurred incremental costs approved by the Department that are associated with the Company's Smart Grid Pilot Programs and are determined to be consistent with Section 85 of the Green Communities Act.

Incremental costs may include such items as consultant costs, contractor costs, external programmer costs and equipment costs that are directly related to these pilot programs. Costs associated with existing internal resources for which base rate recovery or other cost recovery has applied shall not be considered incremental. These costs listed above shall be reduced by any external funding received by the Company that is appropriately earmarked for implementing such pilot programs.