

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

SCHEDULE RAAC

1.01 Purpose

The purpose of the Residential Assistance Adjustment Clause (“RAAC”) is to provide Fitchburg Gas and Electric Light Company (the “Company”) a mechanism for the recovery, on an annual basis and subject to the jurisdiction of the Department of Public Utilities (the “Department”), of the following:

1) the total revenue discount given to residential assistance customers enrolled in the Company’s discounted rate (Rate RD-2).

The level of discount and associated reduced or discounted revenue is set at a fixed percentage off the total RD-1 bill. The total bill discount percentage is as follows:

Low Income Residential Rate RD-2: 40.0%; and

2) incremental costs directly related to the Company’s approved Arrearage Management Program, in accordance with the Department’s D.P.U. 15-80 order;

3) costs associated with the small commercial customer arrearage forgiveness program, in accordance with D.P.U. 20-58-C and D.P.U. 20-91; and

4) in addition to revenue collected through the Residential Assistance Adjustment Factor (“RAAF”), the total revenue recorded under this clause shall include, for hardship protected accounts, any payments made by Customers towards the amortized balance.

1.02 Applicability

The RAAC shall be applicable to all Customers unless otherwise designated. For billing purposes, the RAAC shall be included in the Distribution Charge.

1.03 Effective Date of Annual Residential Assistance Adjustment Factor

The RAAF shall be effective on the first day of each calendar year, unless otherwise ordered by the Department.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

SCHEDULE RAAC (continued)

1.04 Definitions

- (1) The following terms shall be used in this tariff as defined in this section, unless the context requires otherwise. “Distribution Company” or “Company” is Fitchburg Gas and Electric Light Company.
- (2) “Prior Year” is the twelve-month period immediately prior to the effective date of a proposed RAAF.

1.05 Residential Assistance Adjustment Factor Formula

$$RAAF_{xs} = [(RA_x) + (Cust_x(DCust\$_x) + Use_x(DUse\$_x)) + AMP + I_x] * DRA_s / FUSe_{xs}$$

$RAAF_{xs}$ = The annual Residential Assistance Adjustment Factor for year x and class s.

RA_x = The Reconciliation Adjustment for Year_x shall be the amount of over/under collection from the end of the Prior Year. Reconciliations shall be performed monthly and shall be based on the actual revenue discount for customers participating in the Company’s discounted rate as recorded in the Company’s billing data base. The Reconciliation Adjustment for Year_x shall also include actual costs incurred as a result of the Company’s Arrearage Management Program. Interest shall be calculated on the average monthly balance 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. Interest shall be added to each end-of-month balance.

$Cust_x$ = The estimated number of customers participating in the Company’s discounted rate (Rate RD-2).

Use_x = The estimated kWh usage of customers participating in the Company’s discounted rate (Rate RD-2).

$DCust\$_x$ = The difference between the non-discounted and discounted customer charge for the applicable rates calculated using the 40.0% discount.

$DUse\$$ = The difference between the total non-discounted and discounted kWh charges for the applicable rates, including all delivery volumetric charges,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

SCHEDULE RAAC (continued)

default service volumetric charges, and all other volumetric charges calculated using the 40.0% discount.

- AMP = The incremental costs directly related to the Company’s approved Arrearage Management Program. , plus the costs associated with the small commercial customer arrearage forgiveness program.
- I_x = The estimated interest in the forecast period.
- $FUse_{xs}$ = The estimated kWh in the forecast period for year x and class s.
- DRA_s = The Distribution Revenue Allocator is derived from the Company’s most recent base rate case, unless otherwise adjusted and approved by the Department.

Allocators for rate filings made on or after November 1, 2023 in compliance with DPU 23-95 are as follows:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$16,003,352	58.56%
GD-1/GD-2/GD-4/GD-5	\$6,832,600	25.01%
GD-3/Special Contracts	\$4,358,897	15.95%
Streetlights	\$131,687	0.48%

The allocators approved in D.P.U. 23-80 for filings made after July 1, 2024 are as follows, effective with the next scheduled rate change:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$19,217,272	61.20%
GD-1/GD-2/GD-4/GD-5	\$6,275,487	19.99%
GD-3/Special Contracts	\$5,734,574	18.26%
Streetlights	\$171,821	0.55%

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
RESIDENTIAL ASSISTANCE ADJUSTMENT CLAUSE

SCHEDULE RAAC (continued)

The allocators for rates effective on or after January 1, 2025 in compliance with D.P.U. 23-80-A follows:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$19,294,962	61.18%
GD-1/GD-2/GD-4/GD-5	\$6,298,256	19.97%
GD-3/Special Contracts	\$5,770,373	18.30%
Streetlights	\$172,129	0.55%

s = The Rate Class Group is the combination of similar rate classes, as follows: the Residential group is the combination of RD-1, RD-2 and EV-RES; the General Service group is the combination of GD-1, GD-2, including electric vehicle demand charge alternative customers, GD-4 and GD-5; the Large General Service group is the combination of G-3, including electric vehicle demand charge alternative customers, and Special Contracts; and Streetlights is the combination of Outdoor Lighting classes SD and SDC.

1.06 Information Required to be Filed with the Department

Information pertaining to the RAAC shall be submitted with the annual reconciliation filing, including complete documentation of the reconciliation-adjustment calculations.

1.07 Customer Notification

The Company shall notify customers in simple terms of changes to the RAAF, including the nature of the change and the manner in which the RAAF is applied to the bill. In the absence of a standard format, the Company shall submit this notice for approval at the time of each RAAF filing. Upon approval by the Department, the Company shall immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.