

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
EXOGENOUS COST ADJUSTMENT FACTOR
SCHEDULE ECAF

Section

- 1.0 Purpose and Applicability
- 2.0 Allowable Exogenous Costs
- 3.0 Exogenous Cost Adjustment Factor Formula
- 4.0 Information to be Filed with the Department

1.0 Purpose and Applicability

1.1 Purpose

The purpose of the Exogenous Cost Adjustment Factor (“ECAF”) is to provide Fitchburg Gas and Electric Light Company (the “Company”) a mechanism for exogenous cost recovery. The operation of this tariff is limited to the term as specified in the Exogenous Events provision (section 1.7) of the settlement agreement approved in D.P.U. 19-130. The treatment of exogenous costs thereafter shall be subject to the Company’s Performance Based Revenue Adjustment, Schedule PBRA.

1.2 Applicability

This ECAF shall apply to all of the Company’s delivery service Rate Schedules, subject to the jurisdiction of the Department, as determined in accordance with the provisions of this clause. For billing purposes, the ECAF shall be included in the Distribution Charge.

1.3 Effective Date

The annual ECAF shall be effective on January 1st of each calendar year.

2.0 Allowable Exogenous Cost Adjustment Factor Costs

Per the Company’s settlement agreement in D.P.U. 19-130 section 1.7, the Company may adjust its Annual Target Revenue due to the occurrence of any singular (not collective) event beyond the Company’s control resulting in incremental cost changes due to: (1) changes in tax laws that uniquely affect the electric utility industry; (2) accounting changes unique to the electric utility industry; and (3) regulatory, judicial, or legislative changes uniquely affecting the electric utility industry, if the total distribution revenue impact of such event exceeds \$80,000.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
 EXOGENOUS COST ADJUSTMENT FACTOR
 SCHEDULE ECAF

3.0 Exogenous Cost Adjustment Factor Formula

$$\text{ECAF}_{xs} = \frac{(\text{ECAF}C + \text{RA}) \times \text{DR}Ar}{\text{FkWhr}_{xs}}$$

where:

$\text{DR}A_s =$ Distribution Revenue Allocator is derived from the Company's most recent base rate case, unless otherwise adjusted and approved by the Department.

The allocators approved in D.P.U. 22-108 for use in ECAF filings for effect on and after January 1, 2023 are as follows:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$16,130,926	58.55%
GD-1/GD-2/GD-4/GD-5	\$6,891,407	25.01%
GD-3/Special Contracts	\$4,398,169	15.96%
Streetlights	\$132,847	0.48%

The allocators approved in D.P.U. 23-95 for use in ECAF filings for effect on and after January 1, 2024 through December 31, 2024 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%

$\text{ECAF}_{xs} =$ The annual Exogenous Cost Adjustment Factor for year x and class s.

$\text{ECAF}C =$ Annual Exogenous Cost Adjustment Factor Costs

$\text{FkWhr}_{xs} =$ The Forecasted kWhs is the forecasted amount of electricity for year x and class s to be distributed to the Company's distribution customers for the upcoming annual ECAF billing period or an alternative recovery period approved by the MDPU.

$\text{RA} =$ Annual Reconciliation Adjustment, which is the reconciliation of the amount authorized to be recovered through the prior years ECAFs as

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
EXOGENOUS COST ADJUSTMENT FACTOR
SCHEDULE ECAF

approved by the Department with the actual amount of revenue billed to customers through the ECAF. Interest shall be calculated on the excess or deficiency using the prime rate.

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 GD-3, including electric vehicle demand charge alternative customers, and special contracts; the Streetlights group is the combination of SD and SDC.

4.0 Information to be Filed with the Department

On or before November 2 of each year, the Company shall submit to the Department its proposed ECAF for effect January 1 of that year. The filing shall state the amount of the increase or decrease, the ECAF reconciliation balance and throughput forecast for the upcoming annual period.