

NORTHERN UTILITIES – MAINE DIVISION

NOTICE OF RATE CHANGES

Please note the following changes to several components of the charges which comprise your monthly natural gas bill from Northern Utilities/Unitil. As described more fully below, the overall effect of these changes results in lower customer bills for most classes for the period April through October 2020 versus the same time period in the prior year.

Effective April 1, 2020, Unitil's Maine Gas Division received approval of an increase of \$3.6 million in its natural gas distribution rates following a rate proceeding filed before the Maine Public Utilities Commission in June 2019. These rates reflect the costs to provide safe and reliable gas service. The increase results in a 3.6% increase in overall revenue or 7.5% in current distribution revenue. See the table below for the average change in total bills by customer class. The new rates apply to service rendered on and after April 1, so the impact is phased in on your April bill based on the number of days in April for your billing cycle.

Change in average monthly bill, by customer class (due to distribution rate change):

| Customer Class | Rate Class | Percentage Change in Total Bill | Dollar Change in Total Monthly Bill |
|-------------------------------------|------------|---------------------------------|-------------------------------------|
| Residential: | | | |
| Heating | R2 | 5.7% | \$3.02 |
| Non-Heating | R1 | 6.8% | \$2.23 |
| Commercial & Industrial: | | | |
| Low Annual/High Winter Use | G40 | 5.3% | \$6.84 |
| Medium Annual/High Winter Use | G41 | 4.2% | \$33.45 |
| High Annual/High Winter Use | G42 | 3.4% | \$511.34 |
| Low Annual/Low Winter Use | G50 | 5.5% | \$7.74 |
| Medium Annual/Low Winter Use | G51 | 4.2% | \$45.17 |
| High Annual/Low Winter Use | G52 | 3.2% | \$566.37 |



Continued on reverse.

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Proposed to be effective May 1, 2020, the Company has a request pending for an annual rate adjustment of \$1.4 million under its Targeted Infrastructure Replacement Adjustment, or TIRA, (approved in a 2013 proceeding) which allows the Company, subject to certain conditions, to adjust its distribution rates annually to recover costs associated with the Company's investments in its Cast Iron Replacement Program and other specific operational and safety-related infrastructure replacement projects that are being conducted on an accelerated basis.

Also, proposed to be effective May 1, 2020, the Company has a request pending for a decrease in its cost of gas rates. Despite the increases in distribution rates, due to the lower cost of gas rates throughout the year, the overall effect of these changes results in lower customer bills for most classes for the period April 2020 through October 2020 versus the same time period in the prior year. See the table below for the average change in total bills by customer class.

Change in average monthly bill, by customer class (including distribution, TIRA, and cost of gas changes):

| Customer Class | Rate Class | Percentage Change in Total Bill | Dollar Change in Total Monthly Bill |
|-------------------------------------|------------|---------------------------------|-------------------------------------|
| Residential: | | | |
| Heating | R2 | -1.9% | (\$1.11) |
| Non-Heating | R1 | 5.4% | \$1.84 |
| Commercial & Industrial: | | | |
| Low Annual/High Winter Use | G40 | -3.5% | (\$5.01) |
| Medium Annual/High Winter Use | G41 | -8.8% | (\$80.30) |
| High Annual/High Winter Use | G42 | -10.1% | (\$1,774.52) |
| Low Annual/Low Winter Use | G50 | -1.7% | (\$2.61) |
| Medium Annual/Low Winter Use | G51 | -7.7% | (\$94.06) |
| High Annual/Low Winter Use | G52 | -11.2% | (\$2,359.69) |

For more information, please call us at 1-888-301-7700.

