

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF PUBLIC UTILITIES**

---

PETITION OF FITCHBURG GAS AND	:	
ELECTRIC LIGHT COMPANY D/B/A UNITIL	:	D.P.U. 21-BSF-A4
FOR APPROVAL OF BASIC SERVICE RATES	:	
FOR DECEMBER 1, 2021 THROUGH MAY 31,	:	
2022, FOR ITS SMALL AND MEDIUM	:	
CUSTOMER GROUPS	:	

---

**RETAIL ENERGY SUPPLY ASSOCIATION’S**  
**PETITION FOR PARTY STATUS**

Pursuant to 220 CMR § 1.03, Retail Energy Supply Association (“RESA”) hereby submits this petition to intervene as a full party in the above-captioned proceeding.

**BACKGROUND**

On October 1, 2021, Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) filed a petition for approval of new Basic Service rates to go into effect on December 1, 2021.<sup>1</sup> On October 6, 2021, the Attorney General (“AG”) submitted comments with a proposal to mitigate the rate impact of Unitil’s proposed Basic Service rate increases and requesting that, at a minimum, the Department of Public Utilities (“Department”) “defer a portion of Unitil’s proposed increase to residential customers.”<sup>2</sup>

On October 8, 2021, Unitil, after consultation with the AG, submitted an alternative proposal whereby (i) lower Basic Service rates than Unitil originally proposed would be implemented for residential, small general service and medium general service customers effective December 1, 2021; and (ii) the balance of the requested Basic Service

---

<sup>1</sup> Basic Service Filing of Fitchburg Gas and Electric Light Company d/b/a Unitil (Oct. 1, 2021).

<sup>2</sup> Comments of the Office of the Attorney General (Oct. 6, 2021), at 1, 3-4.

rate increases would be deferred for collection beginning on June 1, 2022 through the Basic Service Adjustment Factor, which applies to all distribution customers.<sup>3</sup> The same day, the Department issued a Notice of Filing and Request for Comments seeking written comments from interested stakeholders regarding the Proposal and “other possible means to mitigate the effect on customers of the proposed basic service rate increase.”<sup>4</sup> The Notice did not provide a deadline by which an intervention request must be filed.<sup>5</sup>

On October 18, 2021, RESA submitted its comments in response to the Notice.<sup>6</sup> On October 22, 2021, the Department issued the Order, which adopted the Proposal. Today, RESA filed a motion for reconsideration. RESA now hereby submits this petition to intervene as a full party in the proceeding.

### **LEGAL STANDARD**

The Department’s regulations require that a petition to intervene describe how the petitioner is substantially and specifically affected by a proceeding.<sup>7</sup> The Department has broad discretion in determining whether to allow participation in Department proceedings.<sup>8</sup>

### **INTERVENTION REQUEST**

RESA is a non-profit organization and trade association that represents the interests of its members in regulatory proceedings in the Mid-Atlantic, Great Lakes, New York, and New England regions. RESA members are active participants in the retail

---

<sup>3</sup> Comments of Fitchburg Gas and Electric Light Company d/b/a Unitil (Oct. 7, 2021), at 2 (“Proposal”).

<sup>4</sup> Notice of Filing and Request for Comments (“Notice”), at 2.

<sup>5</sup> *See, generally, id.*

<sup>6</sup> Comments of Retail Energy Supply Association (Oct. 18, 2021) (“RESA Comments”).

<sup>7</sup> 220 CMR §1.03(1)(b); *see also* M.G.L. c. 30A, § 10.

<sup>8</sup> *Attorney General v. Department of Public Utilities*, 390 Mass. 208, 216-17 (1983); *Boston Edison Company v. Department of Public Utilities*, 375 Mass. 1, 45-46, *cert. denied*, 439 U.S. 921 (1978).

competitive markets for electricity, including the Massachusetts retail market. Several RESA member companies are licensed by the Department to serve customers in Massachusetts and are presently providing service to Massachusetts customers, including customers in the Unitil service territory.

When it passed the Electric Restructuring Act,<sup>9</sup> the Massachusetts General Court found that “an important goal in electric restructuring is the development of a competitive marketplace.”<sup>10</sup> Moreover, the Department has recognized that “[i]t is essential to the development of a robust competitive market to have prices set at levels that provide customers with appropriate price signals regarding the costs associated with providing the service, as established by the competitive market.”<sup>11</sup> Conversely, “[d]efault service prices that do not represent the actual cost of providing the service would inhibit the development of a competitive generation market and would thus be detrimental to all electricity consumers.”<sup>12</sup>

Further, the Department has held that “[d]efault service is intended to be a basic service that provides customers with the appropriate incentives to turn to the competitive market for more sophisticated or advantageous service offerings.”<sup>13</sup> Thus, “deferring costs from the current basic service term to another term . . . would disrupt the

---

<sup>9</sup> St. 1997, c. 164 (“Electric Restructuring Act”).

<sup>10</sup> Docket No. D.T.E. 99-60, *Investigation by the Department of Telecommunications and Energy on its own Motion into the Pricing and Procurement of Default Service pursuant to G.L. c. 164, § 1B(d)*, Order D.T.E. 99-60-A (May 11, 2000), at 3.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 2.

competitive market . . . .”<sup>14</sup> Indeed, pricing default “service significantly below costs artificially impedes the development of a truly robust competitive market and the ability of competitive suppliers to develop products at prices that would attract customers.”<sup>15</sup>

The Order deferred certain Basic Service costs.<sup>16</sup> Such deferrals do not present customers with the actual cost incurred by Unitil to provide Basic Service. As a consequence, the winter 2021-22 Basic Service rates that Unitil will charge do not reflect the full costs of providing that service. Competitive suppliers, however, do not have the ability to defer their costs for future recovery in delivery rates and must recover their costs through their current electric supply prices. As a consequence, competitive suppliers operating the Unitil service territory, including RESA members, seeking to obtain or retain customers will be forced to compete against the artificially low Basic Service rates established in the Order.

Moreover, because the deferred costs will be recovered in delivery rates,<sup>17</sup> Basic Service customers will never know the actual cost of the supply service provided by Unitil. Because artificially depressing Unitil Basic service rates will lower Basic Service rates relative to competitive supply prices, customers will be induced to remain on or return to Basic Service and to forgo competitive supply options, including those provided and marketed by RESA members. As a result, competitive suppliers, including RESA

---

<sup>14</sup> See Docket No. D.P.U. 14-BSF-D3-A, *Petition of Massachusetts Electric Company and Nantucket Electric Company to Department of Public Utilities for approval of standard Basic Service rates for: (1) November 1, 2014 through April 30, 2015, for its residential, street lighting, and small commercial and industrial customers; and (2) November 1, 2014 through January 31, 2015, for its medium and large commercial and industrial customers*, Order on Mitigating the Impact of the Increase of Standard Basic Service Rates of Massachusetts Electric Company and Nantucket Electric Company (Nov. 6, 2014), at 10.

<sup>15</sup> Docket Nos. D.T.E. 00-66, 00-67, 00-70, *Standard Offer Service Fuel Adjustments*, Letter Order (Dec. 4, 2000), at 4.

<sup>16</sup> See, generally, Order.

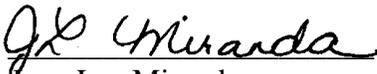
<sup>17</sup> See *id.* at 16.

members, will lose revenues and suffer economic harm. Thus, the Department's Order "impedes the development of a truly robust competitive market and the ability of competitive suppliers to develop products at prices that would attract customers."<sup>18</sup> Accordingly, RESA<sup>19</sup> and its members are substantially and specifically affected by this proceeding.

### CONCLUSION

For all the foregoing reasons, the Department should grant RESA's petition to intervene as a party in this proceeding.

Respectfully submitted,  
RETAIL ENERGY SUPPLY  
ASSOCIATION

By   
Joey Lee Miranda  
Robinson & Cole LLP  
280 Trumbull Street  
Hartford, CT 06103-3597  
Tel. No.: (860) 275-8200  
Fax No.: (860) 275-8299  
E-mail: [jmiranda@rc.com](mailto:jmiranda@rc.com)

Dated: November 8, 2021

---

<sup>18</sup> Docket Nos. D.T.E. 00-66, 00-67, 00-70, *Standard Offer Service Fuel Adjustments*, Letter Order (Dec. 4, 2000), at 4.

<sup>19</sup> *Cf. Statewide Towing Association, Inc. v. City of Lowell*, 68 Mass. App. 791, 794 (2007) ("Where a[n] . . . organization asserts associational standing on behalf of its members, it must establish that its members would independently have standing to pursue the claim.").