

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 28, 2020**

**UNITIL CORPORATION**  
(Exact name of registrant as specified in its charter)

**New Hampshire**  
(State or other jurisdiction  
of incorporation)

**1-8858**  
(Commission  
File Number)

**02-0381573**  
(IRS Employer  
Identification No.)

**6 Liberty Lane West, Hampton, New Hampshire**  
(Address of principal executive offices)

**03842-1720**  
(Zip Code)

**Registrant's telephone number, including area code: (603) 772-0775**

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange of which registered</u>
<b>Common Stock, no par value</b>	<b>UTL</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure**

The final Order of the Massachusetts Department of Public Utilities (“MDPU”), as well as the Settlement Agreement, to which Item 8.01 below refers, are attached as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

**Item 8.01 Other Events**

On February 28, 2020 the MDPU issued its final Order (the “Order”) in Docket No. DPU 19-131, the distribution base rate case filed with the MDPU on December 17, 2019 by the gas division of Fitchburg Gas and Electric Light Company, Inc. (the “Company”), Unitil Corporation’s natural gas utility subsidiary operating in Massachusetts.

The Order approves a Settlement Agreement (the “Agreement”) between the Company and the Massachusetts Office of Attorney General. The Agreement calls for an initial annual distribution revenue increase of \$ 4.6 million to be phased-in over two years: (1) an increase of \$3.7 million, effective on March 1, 2020; and (2) an increase of \$0.9 million, effective on March 1, 2021. Under the Agreement, the Company will not increase or redesign base distribution rates to become effective prior to March 1, 2023. The Settlement provides that during the base distribution rate freeze, the Company may seek cost recovery for certain exogenous events that meet a revenue impact threshold of \$0.4 million.

The distribution base rate case is based on the Company’s operating costs and investments in utility plant for a test year ended December 31, 2018 as adjusted for known and measurable changes. The Agreement provides for a return on equity of 9.7% and a capital structure reflecting 52.45% equity and 47.55% long-term debt.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<b>Number</b>	<b>Exhibit</b>
99.1	<a href="#">Massachusetts Department of Public Utilities Commission Order dated February 28, 2020</a>
99.2	<a href="#">Settlement Agreement dated January 31, 2020</a>
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

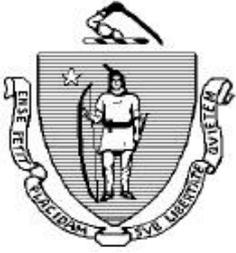
**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UNITIL CORPORATION

By: /s/ Christine L. Vaughan  
Christine L. Vaughan  
Senior Vice President, Chief Financial Officer and  
Treasurer

Date: March 2, 2020



# The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 19-131

February 28, 2020

Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division), pursuant to G.L. c. 164, § 94 and 220 CMR 5.00, for Approval of a General Increase in Gas Base Distribution Rates.

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## ORDER ON PROPOSED SETTLEMENT

APPEARANCES: Gary Epler, Chief Regulatory Counsel  
Unitil Service Corporation  
6 Liberty Lane West  
Hampton, New Hampshire 03842  
FOR: FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
Petitioner

Maura Healey, Attorney General  
Commonwealth of Massachusetts  
Joseph W. Rogers  
Matthew E. Saunders  
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Office of Ratepayer Advocacy  
One Ashburton Place  
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Signatory

Stephen Bright, Esq.  
Colin P. Carroll, Esq.  
Ben Dobbs, Esq.  
Rachel Graham Evans, Esq.  
Robert Hoaglund, Esq.  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, Massachusetts 02114  
FOR: MASSACHUSETTS DEPARTMENT OF ENERGY RESOURCES  
Intervenor

Jerrold Oppenheim, Esq.  
57 Middle Street  
Gloucester, Massachusetts 01930  
FOR: LOW-INCOME WEATHERIZATION AND FUEL ASSISTANCE PROGRAM NETWORK  
Intervenor

## I. INTRODUCTION

On December 17, 2019, Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division) (“Unitil” or “Company”) filed a petition with the Department of Public Utilities (“Department”) seeking approval of an increase in base distribution rates for gas service pursuant to G.L. c. 164, § 94, as well as other proposals. The rates in the Company’s last gas base distribution rate case went into effect on May 1, 2016. Fitchburg Gas and Electric Light Company, D.P.U. 15-81 (2016).

In the filing, Unitil sought to increase its rates to generate \$7.3 million in additional base distribution revenues. This increase included the Company’s request to transfer the recovery of \$3.4 million in Gas System Enhancement Plan (“GSEP”) investments from the Local Distribution Adjustment Factor (“LDAF”) to base distribution rates. Consequently, if approved, the proposed increase in base distribution revenues of \$7.3 million would be offset by a revenue decrease of \$3.4 million to the LDAF, which resulted in a \$3.9 million, or 11.1 percent, increase over current total gas operating revenues. The Company also stated that its requested rate increase considered the reduction in the federal corporate income tax rate that results from the Tax Cuts and Jobs Act of 2017 (“Tax Act”), which became effective January 1, 2018.<sup>1</sup> Unitil’s filing also contained proposals related to its recovery of capital investment made to replace gas distribution infrastructure through the GSEP approved in Fitchburg Gas and Electric Light Company, D.P.U. 14-130 (2015).

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<sup>1</sup> On December 22, 2017, the Tax Act was signed into law. Pub. L. No. 115-97, 131 Stat. 2054: An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018. Among other things, the Act reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. On February 2, 2018, the Department opened an investigation to determine the Act’s effect on the rates of the Department’s regulated utilities. Investigation into Effect of Reduction in Federal Income Tax Rates, D.P.U. 18-15 (2018). Subsequently, the Department directed the Company to return to gas ratepayers savings associated with the reduction in the federal corporate income tax rate and excess accumulated deferred income taxes related to the tax rate change. D.P.U. 18-15-E at 47-49; D.P.U. 18-15-A at 57-59.

The Company's filing is based on a test year of January 1, 2018 through December 31, 2018. The Department docketed this matter as D.P.U. 19-131 and suspended the effective date of the proposed rate increase until November 1, 2020, to investigate the propriety of the Company's petition. D.P.U. 19-131, Suspension Order at 1 (December 20, 2019).

On January 31, 2020, Unitil and the Attorney General of the Commonwealth of Massachusetts ("Attorney General") ("Settling Parties") submitted the following documents: (1) a Joint Motion for Approval of Settlement Agreement ("Joint Motion"); (2) the Settlement; and (3) an Explanatory Statement ("Explanatory Statement").<sup>2</sup> In the Joint Motion, the Settling Parties request that the Department find that (1) the terms of the Settlement are reasonable and (2) implementation of the terms of the Settlement will result in just and reasonable rates for the Company (Joint Motion at 1). As explained in further details below, by its terms, the Settlement is deemed withdrawn, unless the Department approves the entire Settlement by March 1, 2020.

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<sup>2</sup> The Department required that any settlement be accompanied by an explanatory statement to facilitate review that included a procedural history, a section-by-section summary of the settlement, the issues underlying the settlement and the major implications of the settlement, whether any of the issues raise policy implications, whether other pending proceedings may be affected, whether the settlement involves issues of first impression, if there is any change in treatment from a previously decided issue, and any other materials needed to evaluate the settlement. D.P.U. 19-131, Hearing Officer Memorandum (December 23, 2019).

## II. HISTORICAL BACKGROUND AND PROCEDURAL HISTORY

The Company provides retail electric and gas distribution service to customers in the City of Fitchburg and the Towns of Ashby, Lunenburg, and Townsend (Exh. Unitol-CLV-1, at 2). In addition, Unitol provides gas-only distribution service in the City of Gardner and the Town of Westminster (Exh. Unitol-CLV-1, at 2). Unitol serves approximately 30,000 electric customers and 16,000 gas customers in these cities and towns (Exh. Unitol-CLV-1, at 2).

Unitol is a wholly owned utility subsidiary of Unitol Corporation (Exh. Unitol-CLV-1, at 2). Unitol Corporation is a public utility holding company engaged in the retail distribution of electricity and gas through its three utility subsidiaries: (1) Unitol, which provides electric and gas service in Massachusetts; (2) Unitol Energy Systems, Inc., which provides electric service in the southeastern seacoast and state capital regions of New Hampshire; and (3) Northern Utilities, Inc., which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine (Exh. Unitol-CLV-1, at 2). In addition, Unitol Corporation is the parent company of Granite State Gas Transmission, which is an interstate natural gas pipeline company (Exh. Unitol-CLV-1, at 2). Unitol Corporation also owns the following subsidiaries: (1) Unitol Power Corp.<sup>3</sup>; (2) Unitol Realty Corp.; (3) Unitol Resources, Inc.; and (4) Unitol Service Corp., which provides engineering, financial, managerial, and regulatory services to Unitol Corporation's utility subsidiaries (Exh. Unitol-CLV-1, at 3).

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<sup>3</sup> As a result of industry restructuring and the introduction of retail choice in New Hampshire, Unitol Power Corp. is currently winding up its business operations and obligations (Exh. Unitol-CLV-1, at 3).

On December 23, 2019, the Attorney General filed a notice of intervention pursuant to G.L. c. 12, § 11E. On February 3, 2020, the Department granted intervention to the Department of Energy Resources (“DOER”) and the Low-Income Weatherization and Fuel Assistance Program Network (“Network”). On February 20, 2020, in response to the proposed Settlement, the Network filed a set of comments and requested that the Department “set the low-income rate discount of the Gas Division ... equal to that of its Electric Division” (Network Comments at 1-2; see also Exh. LIN 1-2).

Pursuant to notice duly issued, the Department held a public hearing in the Company’s service territory on February 26, 2020. The Department received written and oral comments from a number of the Company’s customers.

In support of the Company’s filing, the following witnesses provided testimony: (1) Christine L. Vaughan, Unitol Corporation’s Senior Vice President, Chief Financial Officer, and Treasurer; (2) Christopher Goulding, Director of Rates and Revenue Requirements, Unitol; (3) Daniel Main, Assistant Controller, Unitol; (4) John Closson, Vice

President of People, Shared Services & Organizational Effectiveness, Unitil; (5) Tonya Rochette, Director of Human Resources, Unitil; (6) Ned Allis, Vice President of Gannet Fleming Valuation and Rate Consultants, LLC; (7) Jonathan Giegerich, Tax Manager, Unitil; (8) Kevin Sprague, Vice President of Engineering, Unitil; (9) Tressa Bickford, Manager of Utility Accounting and Budgeting, Unitil; (10) Paul M. Normand, President of Management Applications Consulting, Inc.; (11) Douglas Debski, Senior Regulatory Analyst, Unitil; and (12) Dylan D'Ascendis, Director of ScottMadden, Inc. The evidentiary record consists of approximately 320 exhibits.<sup>4</sup>

### III. DESCRIPTION OF PROPOSED SETTLEMENT PROVISIONS

#### A. Introduction

The Settlement provides for a base distribution rate increase of \$4.596 million over current rates, to be phased-in over two years: (1) an increase of \$3.677 million, effective on March 1, 2020; and (2) an increase of \$0.919 million, effective on March 1, 2021<sup>5</sup> (Settlement at §§ 1.1.1, 1.1.4). Pursuant to the Settlement, the proposed base distribution

<sup>4</sup> On its own motion, the Department moves into the record of this proceeding the Company's initial filing and supporting documentation, responses to information requests issued by the Network, and the Settlement and supporting documentation, which includes responses to information requests issued by the Attorney General.

<sup>5</sup> According to the Settling Parties, approximately \$3.305 million of the \$4.596 million rate increase is a result of the transfer into base distribution rates of the GSEP revenue requirement approved in Fitchburg Gas and Electric Light Company, D.P.U. 18-GSEP-01 (2019) (Joint Explanatory Statement at 1 n.1).

rate increase includes an agreed-upon revenue requirement<sup>6</sup> and the transfer of 2015-2018 GSEP investments into base distribution rates (Settlement at §§ 1.1.2, 1.1.3, 1.2). Further, the Settlement provides that other than the March 1, 2020, and March 1, 2021, distribution rate increases, the Company will not increase or redesign base distribution rates for tariffs of general applicability to become effective prior to March 1, 2023 (Settlement at § 1.7.1).<sup>7, 8</sup> The Settlement, however, provides for a GSEP-related rate adjustment, effective May 1, 2020 (Settlement at § 1.11).

- <sup>6</sup> The Settlement sets forth the Settling Parties' agreement with respect to various components of the Company's revenue requirement. As set forth in the Settlement, the Company will make adjustments, effective March 1, 2020, associated with payroll expense, restricted stock options, medical expense, mains maintenance, rate case expense, depreciation, the Tax Act, excess accumulated deferred income taxes, capital additions, capitalized non-service costs, software amortization, inflation allowance, cash working capital, integrated resource plan expenses, and rate base (Settlement at §§ 1.2.1 through 1.2.11.1). The Settlement also provides that the Company's revenue requirement includes the amortization of hardship protected accounts receivables balance (Settlement at § 1.5.1).
- <sup>7</sup> Pursuant to the Settlement, the creation of any new reconciling rate recovery factor shall be deemed a base distribution rate increase and, therefore, may not become effective before March 1, 2023, unless mandated by statute or required by Department order applicable to all gas utilities by the Department (Settlement at § 1.7.2). The Settlement provides that this rate freeze provision is not intended to apply to any reconciling rate recovery factor in existence as of the effective date of the Settlement (Settlement at § 1.7.2).
- <sup>8</sup> The Settlement provides that during the base distribution rate freeze, the Company may seek cost recovery for certain exogenous events that meet a revenue impact threshold of \$0.40 million (Settlement at §§ 1.81, 1.82).

B. Settlement Provisions Effective March 1, 2020

Pursuant to the Settlement, on March 1, 2020, in addition to the first base distribution rate increase taking effect, the Company's Gas System Enhancement Adjustment Factor ("GSEAF") will be reduced by \$2.852 million in order to bring the factor to zero (Settlement at § 1.1.8).<sup>9</sup> Further, the Settlement provides that the Company's Gas System Enhancement Reconciliation Adjustment Factor ("GSERAF") will be reduced by \$1.018 million in order to bring the factor to zero (Settlement at § 1.1.9).<sup>10</sup> In addition, pursuant to the Settlement, the recovery of \$0.206 million in pension and post-retirement benefits other than pension ("PBOP") will be moved from base rates into the Company's Pension/PBOP Adjustment Factor ("PAF") (Settlement at § 1.1.7; Settlement, Att. 2, at 2).

Pursuant to the Settlement, the Company will forego seeking any tax refund recoupment associated with the Department's decision in D.P.U. 18-15-F, and it will withdraw the Motion for Clarification filed on March 6, 2019, pending in D.P.U. 18-15 (Settlement at §§ 1.2.7.1, 1.2.7.2). Further, effective March 1, 2020, the flowback to ratepayers of excess accumulated deferred income taxes will move from the Company's Local Distribution Adjustment Clause ("LDAC") into base distribution rates (Settlement

<sup>9</sup> The Settlement provides for a subsequent increase in the Company's GSEAF rates, effective May 1, 2020, as discussed below in Section II.D.

<sup>10</sup> Pursuant to the Settlement, the under-recovered GSEP amount as of February 29, 2020, will be deferred for twelve months and accrue charges at the prime rate (Settlement at § 1.3.2.1). As set forth below, the Company will increase its GSERAF, effective March 1, 2021, to recover the deferred amount.

at § 1.1.10). The Company's Tax Adjustment Credit Factor ("TACF"), which currently is a refund (i.e., a credit) to customers, will be increased by \$0.670 million, in order to bring the factor to zero, and the TACF will be eliminated (Settlement at § 1.1.10).<sup>11</sup> In addition, to the extent that any future change in the federal corporate income tax rate takes effect prior to March 1, 2023, the Company agrees to flow through any adjustments in a single-issue rate filing (Settlement at § 1.2.7.3).

C. Settlement Provisions Effective March 1, 2021

Pursuant to the Settlement, on March 1, 2021, in addition to the aforementioned base distribution rate increase, the Company may increase its GSERAF rates by \$1.191 million to recover its estimated February 29, 2020, GSEP deferral over 24 months (Settlement at §§ 1.1.5, 1.3.2.1, 1.3.2.2).<sup>12</sup> The Settlement provides that this increase to GSERAF to recover the GSEP deferral will terminate on March 1, 2023 (Settlement at § 1.4.1).

D. GSEP-Related Settlement Provisions Effective May 1, 2020

The Settlement provides that on May 1, 2020, the GSEAF rate will be increased to approximately \$1.634 million to recover (1) the 2020 GSEP revenue requirement associated with the 2019 and 2020 investments and (2) the January-February 2020 GSEP revenue requirement associated with the 2015-2018 investments (Settlement at § 1.11.1). The Settling

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<sup>11</sup> The Settlement provides that any TACF remaining balance will be recovered or credited to the Company's Balancing Penalty Credit Factor, included as part of the LDAC (Settlement at § 1.1.10).

<sup>12</sup> Pursuant to the Settlement, the GSEP deferral amount subject to recovery is estimated to be \$2.160 million by March 1, 2021 (Settlement at § 1.3.2.1).

Parties agree that the increase in the GSEAF rate shall be subject to the Department's normal reconciliation process through the Company's GSERAF filing (Settlement at § 1.11.1). The Settlement also provides that the GSEP revenue increase will be capped at 2.5 percent, when calculating the May 1, 2021 and May 1, 2022 increases to the GSEAF and the subsequent GSERAFs effective November 1, 2021 and November 1, 2022 (Settlement at § 1.11.2).<sup>13</sup> In addition, pursuant to the Settlement, the Company's GSEAF filings shall include the Settlement's capital structure and return amounts, updated depreciation rates, and composite property tax rate (Settlement at § 1.11.3).<sup>14</sup>

E. Capital Structure and Rate of Return

Pursuant to the Settlement, the Company will use a 9.70 percent return on equity for ratemaking purposes (Settlement at § 1.6.1). Additionally, the Company will use a capital structure consisting of 52.45 percent common equity and 47.55 percent long-term debt, excluding goodwill (Settlement at § 1.6.2). The long-term debt rate shall be at an interest rate of 6.09 percent, and the resulting calculated weighted average cost of capital to be used for ratemaking purposes, pursuant to the Settlement, is 7.99 percent (Settlement at §§ 1.6.3, 1.6.4).

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<sup>13</sup> The Settlement provides that the March 1, 2021, recovery of the GSEP deferral discussed above in Section III.C referenced in § 1.3.2 shall not be included in the calculation of the 2.5 percent cap (Settlement at § 1.11.2).

<sup>14</sup> Regarding the property tax rate, the Settlement provides that the Company will use its composite property tax rate of 2.12 percent, calculated as the ratio of total annual property taxes paid to total net plant in service (Settlement at § 1.11.3).

F. Cost Allocation and Rate Design

Pursuant to the Settlement, the Company will assign the March 1, 2020 and March 1, 2021, base distribution rate increases by the percentage of volumetric- and demand-related base revenue generated from current base distribution rates (i.e., rates approved in D.P.U. 15-81) using the 2018 test year normalized volumes (Settlement at § 1.9.1). Further, the Settlement provides that the resulting allocated portion of the base revenue increase will be added to the 2018 volumetric- and demand-related base revenue of each volumetric- and demand-related rate component to determine the target volumetric- and demand-related base revenue by rate component (Settlement at § 1.9.1). Next, according to the Settlement, the target volumetric- and demand-related base revenue by rate component will be divided by the 2018 test year normalized volumes and demand to derive the base distribution rates to become effective on March 1, 2020 (Settlement at § 1.9.1).

The Settlement provides that the March 1, 2020 and March 1, 2021, base distribution rate changes shall only impact the demand and volumetric components of base rates (Settlement at § 1.10.1). Pursuant to the Settlement, the rate design shall be derived by maintaining the current customer charge for all rate classes (Settlement at § 1.10.2). For rate classes with only a volumetric component, the per therm rate shall be increased to collect the changes in the revenue caused by the rate increases, such that taken together with the customer charge revenue, the total calculated revenue using 2018 weather normalized test year billing determinants equals the revenue requirement for the class (Settlement at § 1.10.3). For rate classes with both demand and volumetric (per therm) rates, those rates

shall be increased by the same percentage, such that taken together with the customer charge revenue, the total calculated revenue using 2018 weather normalized billing determinants equals the revenue requirement for the class (Settlement at § 1.10.4). Finally, the Settlement provides that pursuant to the Company's revenue decoupling adjustment clause, the total Benchmark Revenue is \$21.068 million for March 1, 2020, and \$21.986 million for March 1, 2021 (Settlement at § 1.10.5).

G. Other Settlement Terms

The Settlement states that it (1) shall not constitute an admission by any party that any allegation or contention in this proceeding is true or false and (2) establishes no principles and, except as to those issues resolved by approval of this Settlement, shall not foreclose any party from making any contention in any future proceedings (Settlement at §§ 2.1, 2.2). The Settlement provides that the Settling Parties agree that the content of Settlement negotiations, including work papers and documents produced in connection with the Settlement, is confidential (Settlement at § 2.3). The Settlement also states that all offers of settlement are without prejudice to the position of any party or participant presenting such offer or participating in such discussion and that the content of settlement negotiations are not to be used in any manner with these or other proceedings involving the parties to this Settlement (Settlement at § 2.3).

The Settling Parties state that the intent is for the Company's customers to receive the full benefit of the matters addressed in the Settlement, not some substitute regulatory treatment of lesser value, and the terms of the Settlement shall not be interpreted to diminish the intended customer benefit (Settlement at § 2.4). The Settlement prohibits the Company from recovering more than once any charges collected under this Settlement or in any other rate, charge, or tariff the Company collects, and it requires a full refund with interest as soon as reasonably possible in the event that such over-recovery is discovered (Settlement at § 2.8).

The terms of the Settlement provide that the Department shall have its usual jurisdiction to implement the terms of the Settlement (Settlement at § 2.7). The Settlement provides that nothing in the Settlement shall be construed to limit the Attorney General's right to petition the Department for a review of the Company under G.L. c. 164, § 93 or other laws or regulations, or to pursue any cause of action related to the Settlement in court under G.L. c. 93A (Settlement at §§ 2.7, 2.9).

The Settlement provides that its provisions are not severable and that the Settlement is conditioned on approval in full by the Department (Settlement at § 2.5). The Settlement provides that it shall be effective upon its approval by the Department and, should the Department not approve the Settlement in its entirety by March 1, 2020, the Settlement states that it shall be deemed withdrawn and not constitute any part of the record in this proceeding or be used for any other purpose (Settlement at § 2.6).

#### IV. STANDARD OF REVIEW

In assessing the reasonableness of an offer of settlement, the Department reviews all available information to ensure that the settlement is consistent with Department precedent and the public interest. Fall River Gas Company, D.P.U. 96-60 (1996); Essex County Gas Company, D.P.U. 96-70 (1996); Boston Edison Company, D.P.U. 92-130-D at 5 (1996); Bay State Gas Company, D.P.U. 95-104, at 14-15 (1995); Boston Edison Company, D.P.U. 88-28/88-48/89-100, at 9 (1989). A settlement among the parties does not relieve the Department of its statutory obligation to conclude its investigation with a finding that a just and reasonable outcome will result. D.P.U. 95-104, at 15; D.P.U. 88-28/88-48/89-100, at 9.

It is well established that the Department's goals for utility rate structure are efficiency, simplicity, continuity, fairness, and earnings stability. D.P.U. 95-104, at 15; Bay State Gas Company, D.P.U. 92-111, at 283 (1992); see also Massachusetts Electric Company, D.P.U. 95-40, at 144-45 (1995). The Department has previously accepted settlements that include cost allocation and/or rate design when such settlements were consistent with the Department's goals. D.P.U. 96-60; D.P.U. 96-70; D.P.U. 95-104, at 15; Massachusetts Electric Company, D.P.U. 91-52 (1991).

#### V. ANALYSIS AND FINDINGS

As an initial matter, the Department has considered the Network's comments requesting that the Department set the low-income discount for gas customers equal to that of electric customers (Network Comments at 1-2). The Department notes that the low-income discount currently is equally set at 25 percent for both gas and electric customers (M.D.P.U. Nos. 221, 223 (gas); M.D.P.U. No. 338 (electric)). The basis for the Network's request in this proceeding appears to be the Company's proposal in Fitchburg Gas and Electric Light Company, D.P.U. 19-130, to increase the low-income discount for electric customers to

34.5 percent (Exh. LI-2).<sup>15</sup> In D.P.U. 19-130, the Company seeks to increase the low-income discount for electric customers based on the applicability of G.L. c. 164, § 141 and the Department's findings in Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 15-155, at 469-471 (2016). D.P.U. 19-130, Exh. Unutil-DJD-1, at 5. The Department's decision in that docket still is pending. In any event, we are not persuaded that resolution of the Network's request through approval of the instant Settlement is appropriate. In particular, the Department is not convinced that an adjustment to the low-income discount for electric customers consistent with our findings in D.P.U. 15-155, at 469-471, or otherwise through the approval of a negotiated settlement, inevitably would warrant a corresponding adjustment to the low-income discount for gas customers.<sup>16</sup> Therefore, the Department declines to adjust the low-income discount for gas customers.

The Department has reviewed the terms of the Settlement and supporting documents, the Company's initial filing, and responses to all information requests. The Department also has carefully reviewed and considered the comments made at the public hearing and submitted in writing. In particular, the Department has fully evaluated the proposed revenue increases in light of the information provided in and with the Settlement concerning the

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<sup>15</sup> On January 30, 2020, the Company and Attorney General filed a proposed Settlement Agreement in D.P.U. 19-130, which includes a provision to increase the low-income discount for electric customers to 34.5 percent (Settlement Agreement at § 1.11).

<sup>16</sup> The Department notes that the Network has raised a similar issue in NSTAR Gas Company, D.P.U. 19-120, which is a currently pending base distribution rate proceeding. The Department anticipates exploring this issue further in that proceeding.

appropriate revenue requirement of the Company, its test-year revenues and expenses, and capital additions. The Department also has reviewed the proposed GSEP-related provisions, the transfer of pension and PBOP recovery to the PAF, and transfer of the flowback of ADIT to base rates and the associated termination of the TACF.

Based on all of the above considerations, we find that the Settlement, taken as a whole, provides for a level of additional revenues that is consistent with findings that might reasonably have been made by the Department, and, therefore, produces a level of revenues consistent with the establishment of just and reasonable rates. We also conclude that the aforementioned reconciling proposals set forth in the Settlement are consistent with Department ratemaking precedent and will result in just and reasonable rates. Further, we find that the Settlement results in a utility rate structure that reflects the Department's goals of efficiency, simplicity, continuity, fairness, and earning stability. D.P.U. 95-104, at 15. As a result, the Department concludes that the Settlement is consistent with both applicable law and public interest, and we find that approval of the Settlement provisions results in a just and reasonable resolution of the many issues in this proceeding, including the Company's tax-related issues under investigation in D.P.U. 18-15. NSTAR Electric Company, D.T.E. 03-121, at 49 (2004). Accordingly, the Settlement is approved.

In accordance with the terms of the Settlement, the Department's acceptance does not constitute a determination as to the merits of any allegations or contentions made in this proceeding not expressly covered by the Settlement. In addition, the Department's acceptance does not establish a precedent for future filings, whether ultimately settled or adjudicated.<sup>17</sup>

<sup>17</sup> As the Department has noted in the past, the Settlement's confidentiality provision set out at Section 2.3 does not bind the Department or preclude its inquiry as events may warrant. Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 04-114/03-118, at 6 n.4 (2005); Boston Edison Company, D.T.E. 03-117-A (Phase II) at 5 n.6 (2004). To the extent that the parties intend the assertion of confidentiality to be a motion for protective treatment, it is premature.

This Order is intended to be, and shall be construed to be, a final order of the Department issued pursuant to G.L. c. 25, § 5, and expressly does not form, and may not be considered to form, a contract binding on the Department or the Commonwealth of Massachusetts. In ruling on the Settlement, the Department exercised its regulatory authority under G.L. c. 164, §§ 76, 94, and 94I; the Department's approval of the Settlement does not operate to make the Department a party to the Settlement.

Notwithstanding any agreements reached by the Settling Parties, the Department may enforce any of the commitments or obligations provided in the Settlement and the terms of this Order under its regulatory authority, including G.L. c. 164, §§ 76, 94, and 94I, and not as a matter of contract law.

With approval of the Settlement, the Company is directed to file new tariffs to be effective March 1, 2020, reflecting the base distribution rate increase of \$3.677 million and relevant provisions of this Settlement as well as the base distribution rate increase of \$0.919 million and relevant provisions of this Settlement that are effective March 1, 2021.

The Department directs that the Company make such a compliance filing consistent with the terms of the Settlement.

VI. ORDER

Accordingly, after due notice, public hearing, and consideration, it is

ORDERED: That the Joint Motion for Approval of Settlement, submitted by Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division) and the Attorney General of the Commonwealth of Massachusetts on January 31, 2020, is GRANTED and the Settlement is APPROVED; and it is

FURTHER ORDERED: That proposed tariffs M.D.P.U. Nos. 228 through 236 filed by Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division) on December 17, 2019, to become effective January 1, 2020, are DISALLOWED; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas Division) shall file new schedules of rates and charges as required by this Order and shall design all rates in compliance with this Order; and it is

FURTHER ORDERED: That the new rates shall apply to gas consumed on and after March 1, 2020, but unless otherwise ordered by the Department, shall not become effective earlier than seven days after the rates are filed with supporting data demonstrating that such rates comply with this Order; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unutil (Gas Division) shall comply with all other directives contained in this Order.

By Order of the Department,

/s/ Matthew H. Nelson

Matthew H. Nelson, Chair

/s/ Robert E. Hayden

Robert E. Hayden, Commissioner

/s/ Cecile M. Fraser

Cecile M. Fraser, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

**Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil (Gas  
Division), pursuant to G.L. c. 164, § 94 and 200 C.M.R. § 5.00, for  
Approval of a General Increase in Gas Base Distribution Rates**

**D.P.U. 19-131**

**SETTLEMENT AGREEMENT**

WHEREAS, Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil” or the “Company”), and the Attorney General of Massachusetts (“AGO”) (together, the “Settling Parties”), enter into this Settlement Agreement regarding the Company’s petition filed with the Massachusetts Department of Public Utilities (“Department”) on December 17, 2019 seeking approval, pursuant to G.L. c. 164, § 94 and 220 C.M.R. §§ 5.00 et seq., of a distribution rate increase of \$7.290 million<sup>1</sup> (“Initial Filing”);

WHEREAS, the Department docketed the Initial Filing as D.P.U. 19-131, and the AGO intervened in D.P.U. 19-131 as a matter of right pursuant to G.L. c. 12, § 11E(a);

WHEREAS, the Company has responded to approximately 146 information requests issued by the AGO;

WHEREAS, the Settling Parties have raised competing and disputed claims regarding various matters contained in the Company’s Initial Filing, but wish to resolve only the matters specified Article 1 and Article 2 of this Settlement Agreement on mutually agreeable terms, and without establishing any new precedent or principle applicable to any other proceedings;

NOW THEREFORE, in consideration of the exchange of promises and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Settling Parties agree, subject to the Department’s approval, to the following:

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<sup>1</sup> The Company’s initial revenue requirement request of \$7.290 million includes the transfer of \$3.403 million of revenue requirement approved by the Department in D.P.U. 18-GSEP-01.

## ARTICLE 1: TERMS OF SETTLEMENT

### 1.1. Overview

- 1.1.1. In lieu of a fully litigated rate case, the Settling Parties agree to reduce the Company's proposed base distribution rate increase of \$7.290 million to \$4.596 million.<sup>2</sup>
- 1.1.2. The proposed base distribution rate increase consists of the Settling Parties' agreed upon revenue deficiency and the transfer of 2015-2018 Gas System Enhancement Program ("GSEP") investments into base rates.
- 1.1.3. The \$4.596 million increase in the allowed revenue requirement includes the Settling Parties' agreed upon adjustments to the Company's proposed revenue requirement, as set forth in § 1.2.<sup>3</sup>
- 1.1.4. The Company shall phase-in, over two years, the proposed base distribution rate increase of \$4.596 million over the then current effective rates: \$3.677 million on March 1, 2020 and \$0.919 million on March 1, 2021.
- 1.1.5. On March 1, 2021, in addition to the base distribution rate increase set forth in § 1.1.4, the Company may increase its Gas System Enhancement Reconciliation Adjustment Factor ("GSERAF") rates by \$1.191 million to recover its estimated February 29, 2020 GSEP deferral over 24 months, as set forth in § 1.3.2.
- 1.1.6. On March 1, 2023, the \$1.191 million increase to the GSERAF established in § 1.1.5 shall terminate.
- 1.1.7. The Company has moved all pension and post-retirement benefits other than pension ("PBOP") recovery from base rates and into the Company's Pension/PBOP Adjustment Factor ("PAF"), effective March 1, 2020. The PAF reconciliation will be updated to reflect this change effective March 1, 2020, in the Company's next scheduled PAF filing.

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<sup>2</sup> See, Attachment 1, Term Sheet.

<sup>3</sup> All adjustments to the revenue requirement in this Settlement Agreement are to the Initial Filing and have been grossed up for the associated impacts to both cash working capital and bad debt expense.

- 1.1.8. Effective March 1, 2020, the Company's Gas System Enhancement Adjustment Factor ("GSEAF") rates shall be reduced by \$2.852 million in order to bring the factors to zero.
  - 1.1.9. Effective March 1, 2020, the Company's GSERAF rates shall be reduced by \$1.018 million in order to bring the factors to zero.
  - 1.1.10. The flowback of excess accumulated deferred income tax through the Company's Tax Adjustment Credit Factor ("TACF") has been moved to base rates. The TACF, which is currently a refund (i.e., a credit) to customers, will be increased by \$0.670 million, in order to bring the factors to zero. The TACF shall be eliminated, effective March 1, 2020. Any TACF remaining balance shall be recovered or credited to the Company's Balancing Penalty Credit Factor, included as part of the local distribution adjustment clause ("LDAC").
- 1.2. March 1, 2020 Distribution Rates – Revenue Requirement Adjustments
- 1.2.1. Payroll Adjustment
    - 1.2.1.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.076 million associated with the Company's payroll adjustment.
  - 1.2.2. Restricted Stock Options
    - 1.2.2.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.070 million associated with the Company's restrictive stock options.
  - 1.2.3. Medical O&M
    - 1.2.3.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.074 million associated with the Company's medical costs.

1.2.4. Mains Maintenance

1.2.4.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.053 million associated with the Company's mains maintenance adjustment.

1.2.5. Rate Case Expense

1.2.5.1. The Company shall reduce its rate case expense by \$0.311 million.

1.2.5.2. The decrease in rate case expense set forth in § 1.2.5.1 decreases the Company's Initial Filing revenue requirement by \$0.082 million, resulting in total estimated rate case expense of \$0.208 million, to be normalized over four years.

1.2.5.3. The Company may adjust the total revenue requirement to recover its actual reasonable rate case expense, as determined by the Department, normalized over four years, which will be provided in the Company's compliance filing.

1.2.6. Depreciation

1.2.6.1. The Settling Parties agree to the depreciation accrual rates, as filed in the Company's Initial Filing on December 17, 2019, except for the plastic mains and services plant accounts as provided for in § 1.2.6.2.

1.2.6.2. The depreciation accrual rates for plastic mains (account: 376.40) and services (account: 380.00) each shall be adjusted to reflect a 10-year increase in the remaining lives proposed by the Company. The resulting depreciation accrual rates shall be 2.57 percent for plastic mains and 4.26 percent for services. As a result, the Company shall decrease its Initial Filing revenue requirement by \$0.858 million.

1.2.7. Tax Refund Recoupment

1.2.7.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.189 million associated with the Company's proposed tax refund recoupment amount, in accordance with the Department Order in D.P.U. 18-15-F.

- 1.2.7.2. Upon the Department's approval of this Settlement Agreement, the Company shall withdraw its March 6, 2019 Motion of Clarification filed and pending in docket D.P.U. 18-15.
- 1.2.7.3. The Company shall flow through any Federal Corporate Income Tax rate change upon its effective date, through a single-issue rate filing to the extent that the Federal Corporate Income Tax rate change becomes effective prior to March 1, 2023.
- 1.2.8. Excess Accumulated Deferred Income Taxes ("ADIT")
- 1.2.8.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.090 million associated with the roll-forward adjustment to the test year-end rate base associated with Excess ADIT.
- 1.2.8.2. The Company shall include \$0.747 million of annual Excess ADIT flow-back in the Company's Initial Filing revenue requirement.
- 1.2.9. 2019 Capital Additions
- 1.2.9.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.576 million as an agreed upon deduction associated with the removal of the 2019 capital additions.
- 1.2.10. Other Adjustments
- 1.2.10.1. The Company shall decrease the Company's Initial Filing revenue requirement by \$0.055 million for the following adjustments:
- a. a reduction of capitalized non-service costs of \$0.069 million;
  - b. a reduction of software amortization of \$0.002 million;
  - c. a reduction of inflation allowance of \$0.012 million;
  - d. a reduction of working capital of \$0.002 million; and
  - e. an increase of Integrated Resource Plan expenses of \$0.030 million.

- 1.2.11. Rate Base Adjustments
  - 1.2.11.1. The Company shall exclude \$0.571 million in revenue requirement as an agreed upon deduction from the Company's Initial Filing revenue requirement associated with the settled Return on Equity of 9.70 percent.
- 1.3. March 1, 2021 Distribution Rates – Adjustment
  - 1.3.1. Base Distribution Rate Increase
    - 1.3.1.1. Effective March 1, 2021, the Company may increase the base distribution component of its rates by \$0.919 million, over the Company's March 1, 2020 effective base distribution rates, to recover the deferred component of its allowed revenue requirement.
  - 1.3.2. GSEP Deferral
    - 1.3.2.1. As set forth in § 1.1.5, the recovery of \$2.160 million in under-recovered GSEP will be deferred for 12 months, until March 1, 2021, and will accrue carrying charges at the prime rate during the 12-month deferral.
    - 1.3.2.2. Beginning March 1, 2021, the Company may recover the GSEP deferral over 24 months by increasing the GSERAF rates by \$1.191 million over the Company's March 1, 2020 effective GSERAF rates of zero. Carrying charges at the prime rate shall continue to be included, consistent with the Company's GSEAF tariff.
- 1.4. March 1, 2023 GSERAF Rates
  - 1.4.1. On March 1, 2023, the \$1.191 million increase to the GSERAF rates established in § 1.1.5 shall terminate.
- 1.5. Hardship Protected Accounts Receivable
  - 1.5.1. The Company's Initial Filing revenue requirement includes \$0.179 million representing the amortization over five years of the December 31, 2018 test-year-end balance of Hardship Protected Accounts Receivable of \$0.894 million.

1.6. Cost of Capital

- 1.6.1. The Company shall use a 9.70 percent return as its cost of common equity for ratemaking purposes.
- 1.6.2. The Company shall use its proposed pro forma capital structure consisting of 52.45 percent common equity and 47.55 percent long-term debt, excluding goodwill.
- 1.6.3. The long-term debt rate shall be at an interest rate of 6.09 percent.
- 1.6.4. The computation of the weighted average cost of capital established by this Settlement Agreement is 7.99 percent, which shall be used for ratemaking purposes.

1.7. Distribution Rate Freeze

- 1.7.1. Other than the March 1, 2020 and March 1, 2021 distribution rate increases set forth in §§ 1.2 and 1.3, the Company will not increase or redesign base distribution rates for tariffs of general applicability to become effective prior to March 1, 2023.
- 1.7.2. The creation of any new reconciling rate recovery factor shall be deemed a distribution rate increase, and, therefore, may not become effective before March 1, 2023, unless mandated by statute or required by Department order applicable to all gas utilities by the Department. This provision is not intended to apply to any reconciling rate recovery factor in existence as of the effective date of this Settlement Agreement.

1.8. Exogenous Events

- 1.8.1. During the term of the Distribution Rate Freeze, the Company may adjust its Benchmark 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 natural gas utility industry; (2) accounting changes unique to the natural gas utility industry; and (3) regulatory, judicial, or legislative changes uniquely affecting the natural gas utility industry, if the total distribution revenue impact of such event exceeds \$0.040 million.

- 1.8.2. Exogenous event cost recovery requires that the Company present supporting documentation and rationale to the Department for a determination as to the appropriateness of the proposed recovery or refund. Once allowed by the Department, the amount of the cost change occurring shall be recovered from or credited to customers through a separate factor, after review and approval by the Department. The separate factor shall remain in effect until the exogenous event cost is fully recovered from or credited to customers, or until such time that the amounts are appropriately reflected in distribution rates, as applicable.
- 1.9. Rate Class Allocation
- 1.9.1. The Company will assign the distribution rate increase amounts set forth in §§ 1.1.3 and 1.1.5, by the percentage of volumetric and demand related base revenue generated from current base rates (pursuant to D.P.U. 15-81) using the 2018 test year normalized volumes. The resulting allocated portion of the base revenue increase will be added to the 2018 volumetric and demand related base revenue of each volumetric and demand related rate component to determine the target volumetric and demand related base revenue by rate component. The target volumetric and demand related base revenue by rate component will be divided by the 2018 test year normalized volumes and demand to derive the base rates to become effective on March 1, 2020.
- 1.10. Rate Design
- 1.10.1. The distribution rate changes established pursuant to this Settlement Agreement shall only impact the demand and volumetric (per therm) components of base rates.
- 1.10.2. The rate design shall be derived by maintaining the current customer charge for all rate classes.

- 1.10.3. For rate classes with only a volumetric component, the therm rate, shall be increased to collect the changes in the revenue as established § 1.7.1, such that taken together with the customer charge revenue, the total calculated revenue using 2018 weather normalized test year billing determinants equals the revenue requirement for the class.
  - 1.10.4. For rate classes with both demand and volumetric (per therm) rates, those rates shall be increased by the same percentage, such that taken together with the customer charge revenue, the total calculated revenue using 2018 weather normalized billing determinants equals the revenue requirement for the class.
  - 1.10.5. Pursuant to the Company's revenue decoupling adjustment clause, the total Benchmark Revenue is \$21.068 million for March 1, 2020, and \$21.986 million for March 1, 2021.
- 1.11. GSEP
- 1.11.1. On May 1, 2020, the GSEAF rate will be increased to approximately \$1.634 million to recover the 2020 revenue requirement associated with the 2019 and 2020 investments and the January-February 2020 revenue requirement associated with the 2015-2018 investments. Said amount shall be subject to the Department's normal reconciliation process through the Company's GSERAF filing.
  - 1.11.2. The revenue increase will be capped at 2.5 percent, when calculating the May 1, 2021 and May 1, 2022 increases to the GSEAF and the subsequent GSERAFs effective November 1, 2021 and November 1, 2022. The recovery of the GSEP deferral referenced in § 1.3.2 shall not be included in the calculation of the 2.5 percent cap.
  - 1.11.3. The GSEAF filings shall include the Settlement Agreement's capital structure and return amounts, updated depreciation rates, and composite property tax rate. The property tax rate used will be the Company's composite property tax rate of 2.12 percent, calculated as the ratio of total annual property taxes paid to total net plant in service

**ARTICLE 2: SETTLEMENT CONDITIONS**

- 2.1. This Settlement Agreement shall not be deemed in any respect to constitute an admission by any party that any allegation or contention in this proceeding is true or false.
- 2.2. The making of this Settlement Agreement establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation, except as to those issues and proceedings that are stated in this Settlement Agreement as being specifically resolved by approval of this Settlement Agreement.
- 2.3. This Settlement Agreement is the product of settlement negotiations. The Settling Parties agree that the content of these negotiations (including any workpapers or documents produced in connection with the negotiations) are confidential, that all offers of settlement are without prejudice to the position of any party or participant presenting such offer or participating in such discussion, and, except to enforce rights related to this Settlement Agreement or defend against claims made under this Settlement Agreement, that they will not use the content of said negotiations in any manner in this or other proceedings involving one or more of the parties to this Settlement Agreement, or otherwise.
- 2.4. The Settling Parties intend that the Company's customers and shareholders receive the full value of the settled matters, and not some substitute regulatory treatment of lesser value either now or in the future, and the Settling Parties agree that no terms of this Settlement Agreement will be used or interpreted to diminish, in any way, the intended customer or shareholder benefit related to this Settlement Agreement.
- 2.5. The provisions of this Settlement Agreement are not severable. This Settlement Agreement is conditioned on its approval in full by the Department. This Settlement Agreement is also contingent upon the provision of accurate and truthful information by the Company during the settlement negotiation process.

- 2.6. If the Department does not approve this Settlement Agreement in its entirety by March 1, 2020, the Settlement Agreement shall be deemed to be withdrawn and shall not constitute a part of the record in this or any other proceeding or used for any other purpose.
- 2.7. To the extent permitted by law, the Department shall have its usual jurisdiction to implement the terms of this Settlement Agreement. Nothing in this Settlement Agreement, however, shall be construed to prevent or delay the AGO from pursuing any cause of action related to this Settlement Agreement in court under G.L. c. 93A or otherwise.
- 2.8. Under no circumstances shall: (1) any charge under this Settlement Agreement or tariffs promulgated hereunder recover costs that are collected by the Company more than once, or through some other rate, charge, or tariff; or (2) any charge recover costs more than once in any other rate, charge, or tariff collected by the Company, it being acknowledged by the Settling Parties that such collection(s) described in this article unless fully refunded with interest, as soon as reasonably possible, shall constitute a breach of this Settlement Agreement when discovered and generally known, and be deemed to violate the involved tariffs.
- 2.9. Notwithstanding any provision in this Settlement Agreement to the contrary, no part of this Settlement Agreement shall be interpreted to interfere with the AGO's rights to petition the Department under G.L. c. 164, § 93, or otherwise under law or regulation, for a review of the Company.
- 2.10. The terms of this Settlement Agreement shall be governed by Massachusetts law and not the law of some other state. This Settlement Agreement shall be effective upon approval by the Department regardless of any pending appeals or motions for reconsideration, clarification, or recalculation.
- 2.11. The signatories listed below represent that they are authorized on behalf of their principals to enter into this Settlement Agreement.
- 2.12. This Settlement Agreement may be signed in counterparts each of which shall be deemed an original and all of which together shall constitute one in the same document.

**Fitchburg Gas and Electric Light Company  
d/b/a Unitil**

By its Attorney,

/s/ Gary Epler

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Gary Epler  
Chief Regulatory Counsel  
Unitil Service Corp  
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603.773.6440

**Maura Healey  
Massachusetts Attorney General**

By: /s/ Matthew E. Saunders

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Dated: January 31, 2020.