

If you would like further information, please call the Customer Assistance number at **1-800-882-5454**. If you would like to submit written comments to the DPU, please send them to **Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, MA 02110**, and please reference D.P.U. 18-45. Please provide all comments by June 19, 2018.



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# IMPORTANT RATE NOTICE FOR CUSTOMERS

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Columbia Gas<sup>®</sup>  
of Massachusetts  
*A NiSource Company*

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## APPLICATION FOR GENERAL RATE INCREASE

On April 13, 2018, Bay State Gas Company d/b/a Columbia Gas of Massachusetts (the "Company") submitted a proposal to the Department of Public Utilities ("DPU") to update the Company's gas rates. The proposal requests recovery of an operating deficiency of \$24.1 million effective March 1, 2019. The Company's request addresses increases in operating and maintenance costs incurred to meet stringent pipeline safety mandates and capital costs incurred to upgrade gas infrastructure since the last time the Company changed gas rates in 2015. The Company's request is reduced by the impact of the federal Tax Cut and Jobs Act, which became effective on January 1, 2018, and includes a refund to customers of \$9.1 million to provide the benefit of the tax cut as of that date. This refund will coincide with the Company's rate increase, reducing customer bills on average by 1.6 percent for a period of approximately one year. On the effective date of new rates, the overall increase in distribution revenue will be \$43.8 million, offset by revenue decreases for other rate factors of \$19.7 million, representing a net change in operating revenues of \$24.1 million.

If the Company's proposals are approved by the DPU without modification, rates proposed by the Company would cause the following impacts for customers (excluding the 1.6 percent impact of the tax refund):

- result in an increase of 7.08 percent in total annual distribution revenues, or an increase of 17.21 percent in the Company's base distribution revenues;
- a monthly bill increase of \$5.53 (a 2.31 percent increase in current rates) for a typical residential heating customer using 130.7 therms of gas per month during the winter season;

- a monthly bill increase of \$4.38 (a 11.11 percent increase in current rates) for a typical residential heating customer using 28.1 therms of gas per month during the summer season;
- a monthly bill increase of \$2.93 (a 6.14 percent increase in current rates) for a typical residential non-heating customer using 18.9 therms of gas per month during the winter season;
- a monthly bill increase of \$3.41 (a 13.85 percent increase in current rates) for a typical residential non-heating customer using 11.3 therms of gas per month during the summer season;
- an annual bill increase in the range of 3.74 percent to 5.98 percent for commercial and industrial customers, depending upon the amount of their usage.

The DPU has docketed this matter as D.P.U. 18-45 and has suspended the effective date of any rate adjustment until March 1, 2019, in order to investigate the appropriateness of the Company's request. Additionally, the DPU has scheduled several public hearings on the Company's rate request (see below for dates, times and locations).

- **June 12, 2018, at 7:00 p.m. at the South Junior High School Auditorium, 105 Keith Avenue Ext., Brockton, MA 02301**
- **June 14, 2018, at 7:00 p.m. at the South Lawrence East Elementary School Auditorium, 165 Crawford Street, Lawrence, MA 01843**
- **June 19, 2018, at 7:00 p.m. at the Springfield City Hall, Room 220, 36 Court Street, Springfield, MA 01103**