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May 17, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Company – D.T.E. 02-23 (Electric PBR)

Dear Ms. Cottrell,

Enclosed please find for filing, in the above referenced proceeding, an original and nine (9) copies of Fitchburg Gas and Electric Light Company's Motion to Consolidate this proceeding with D.T.E. 02-22 (FG&E's Gas PBR filing), D.T.E. 02-24 (FG&E's Gas Division Rate Request) and D.T.E. 02-25 (FG&E's Electric Division Rate Request).

Thank you for your attention to this matter.

Very truly yours,

Patricia M. French

MP/ags
Encs.
cc: Paul Afonso, General Counsel, DTE
Kevin Brannelly, Director, Rates and Revenue Requirements, DTE
Joseph Rogers, Assistant Attorney General, Chief, Regulated Industries
BS80322v1

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY REQUEST FOR PERFORMANCE BASED RATES FOR THE GAS DIVISION	**D.T.E. 02-22**
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY REQUEST FOR PERFORMANCE BASED RATES FOR THE ELECTRIC DIVISION	**D.T.E. 02-23**
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY GAS DIVISION RATE REQUEST	**D.T.E. 02-24**
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY ELECTRIC DIVISION RATE REQUEST	**D.T.E. 02-25**

MOTION TO CONSOLIDATE PROCEEDINGS

NOW COMES Fitchburg Gas and Electric Light Company ("FG&E"), pursuant to 220 C.M.R. 1.09, and moves the Department of Telecommunications and Energy ("Department") to consolidate a number of proceedings involving FG&E that are pending before the Department. The proceedings that may be appropriately consolidated under 220 C.M.R. 1.09 include the following: the FG&E Electric Division Rate Request (D.T.E. 02-25), the FG&E Electric Division Performance Based Regulation ("PBR") Plan (D.T.E. 02-23), the FG&E Gas Division Rate Request (D.T.E. 02-24) and the FG&E

Gas Division PBR Plan (D.T.E. 02-22). As justification for consolidating these proceedings, FG&E states as follows.

1. Pursuant to 220 C.M.R. 1.09, the Department may consolidate proceedings that share common questions of law or fact for the purpose of administrative efficiency. On this date, FG&E has filed tariffs reflecting a change to its base distribution rates for both its Gas Division and its Electric Division. The rate changes were necessitated in part to establish cast-off rates for the Gas Division PBR Plan and the Electric Division PBR Plan. The Gas Division PBR Plan and the Electric Division PBR Plan were both filed with the Department on April 16, 2002.

The Proceedings Have Common Issues of Law

2. In D.T.E. 99-84, the Department required FG&E to file a PBR Plan for its Gas Division and for its Electric Division, when it filed for a general rate increase. The Plans share the same witnesses, virtually the same testimony, and as a substantive matter are very similar with just a few exceptions. Whether the Plans are consistent with the Department's precedent regarding PBR is a matter of law that will be common to both the Gas Division and the Electric Division. Therefore, because of the similarity of the Plans and the common issues present in the Department's investigation of the PBR Plan for the Gas Division and for the Electric Division, the PBR Plans should be consolidated.

3. In its Gas Division Rate Request and in the Electric Division Rate Request, a majority of the cost of service was performed using the same methodology and procedures for both divisions. Whether these analyses are consistent with Department precedent is a matter of law common to each proceeding. They were filed at the same time and an order will be issued by the Department for each Division at the

same time. Therefore, because of the similarity of the Rate Requests for the Gas Division and for the Electric Division and the common issues of law presented, the Rate Requests should be consolidated.

4. FG&E has filed the Gas Division Rate Request and the Electric Division Rate Request in order to establish cast-off rates for its PBR Plans for the Gas Division and the Electric Division. The application of these rates to these plans will raise similar questions of law, eg., whether the proposed rates are just and reasonable to permit FG&E the opportunity to earn its allowed return, and to attract capital, for the period of the proposed price cap.

The Proceedings Have Common Issues of Fact

5. FG&E was incorporated as a gas company in 1852 and is the only combined gas and electric distribution company operating in the Commonwealth. Therefore, while FG&E's Gas Division and Electric Division by necessity have differing utility plant and separate rates and tariffs to serve their customers, the total-company revenues are a key component of the Department's investigation. Further, the Gas Division and the Electric Division share common costs between them based on an allocation methodology ("G/E Split").

6. Under the PBR Plans, the Gas Division and the Electric Division share some of the service quality index ("SQI") measures that will be separately calculated for the purpose of assessing penalties. Therefore, the Department's examination of these SQI measures under the PBRs will be the same for both Divisions. A combined investigation will reduce the hearing time necessary to examine the combined measures.

A Combined Proceeding Will Further Administrative Efficiencies

7. The witnesses for each of the Rate Request proceedings and for each of the PBR proceedings for the Gas Division and the Electric Division are the same. The prefiled testimonies for each of the Rate Request proceedings and for each of the PBR proceedings for the Gas Division and the Electric Division have been purposely designed to be substantially the same. Therefore, administrative efficiency, reduction in discovery, shortening of hearing time, elimination of duplicative areas of examination and lessening of overall rate case expense (for all parties and the Department) will occur with a consolidation of these proceedings.

WHEREFORE, for all the reasons set forth herein, Fitchburg Gas and Electric Light Company respectfully requests that the Department of Telecommunications and Energy consolidate the proceedings involving the Gas Division Rate Request, the Electric Division Rate Request, the Gas Division Performance Based Regulation Plan and the Electric Division Performance Based Regulation Plan for the purposes of hearing and to further administrative efficiencies.

Respectfully submitted,

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DATED: May 17, 2002
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