Unitil
Unitil Service Corp.

October 6, 2004

Mr. Kevin Brannelly, Director of Rates and Revenue Requirements
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Co d/b/a Unitil, D.T.E. 00-20

Dear Mr. Brannelly:

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") submits for filing a revised Appendix A of tariff M.D.T.E. No. 109.

This tariff sheet is filed pursuant to section 13.3.8 of Unitil's Terms and Conditions for gas distribution service. Unitil's Terms and Conditions require Unitil to revise its Capacity Allocators annually. The revised capacity allocators reflect Unitil's current resource and supply requirements as provided in Attachment 2 to this filing.

Unitil continues to employ the same methodology for calculating its capacity allocators that has been in place since the introduction of full customer choice on November 1, 2000. This methodology was developed in the Gas Collaborative and was described in the ensuing company-specific dockets for tariff filings. Unitil's specific docket was D.T.E. 00-20. Attachment 1 describes the calculation of the capacity allocators which was initially provided in D.T.E. 00-20.

The new Capacity Assignments take effect November 1, 2004. Therefore, Unitil requests that this tariff take effect simultaneously on November 1, 2004.

The filing includes Appendix A of M.D.T.E. No. 109 marked in both redlined and final versions.

Karen M. Asbury
Director, Regulatory Services

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Please do not hesitate to contact me if you have any questions.

Very truly yours,

Karen M. Asbury

Karen M. Asbury,
Director, Regulatory Services

Attachments

cc: Mary L. Cottrell, Secretary
George Yiankos, Director, Gas Division
Andreas Thanos, Assistant Director, Gas Division
Joseph Rogers, Assistant Attorney General
David O'Connor, Commissioner, Division of Energy Resources
David McKeehan, President, North Central Massachusetts Chamber of Commerce

DISTRIBUTION SERVICE TERMS AND CONDITIONS

APPENDIX A
Capacity Allocators

(November 1, 2004)

	Percent of Peak Day Requirement			Percent of Total Capacity		
	Pipeline	Storage Withdrawal	Peaking	Pipeline	Storage Withdrawal	Peaking
RES R1, R2 HLF	65%	13%	22%	3%	1%	1%
RES R3, R4 LLF	38%	23%	39%	44%	48%	48%
G-41 LLF	38%	23%	39%	11%	13%	13%
G-51 HLF	65%	13%	22%	2%	1%	1%
G-42 LLF	38%	23%	39%	19%	22%	22%
G-52 HLF	65%	13%	22%	4%	2%	2%
G-43 LLF	38%	23%	39%	8%	10%	10%
G-53 HLF	65%	13%	22%	9%	3%	3%
Total				100%	100%	100%
High Load Factor	65%	13%	22%	18%	7%	7%
Low Load Factor	38%	23%	39%	82%	93%	93%
Total				100%	100%	100%

DISTRIBUTION SERVICE TERMS AND CONDITIONS

APPENDIX A
Capacity Allocators

(November 1, ~~2003~~2004)

	Percent of Peak Day Requirement			Percent of Total Capacity		
	Pipeline	Storage Withdrawal	Peaking	Pipeline	Storage Withdrawal	Peaking
RES R1, R2 HLF	~~61~~65%	~~16~~13%	~~23~~22%	3%	1%	1%
RES R3, R4 LLF	~~40~~38%	~~25~~23%	~~35~~39%	~~45~~44%	48%	48%
G-41 LLF	~~40~~38%	~~25~~23%	~~35~~39%	~~10~~11%	13%	13%
G-51 HLF	~~61~~65%	~~16~~13%	~~23~~22%	2%	1%	1%
G-42 LLF	~~40~~38%	~~25~~23%	~~35~~39%	~~18~~19%	~~20~~22%	~~20~~22%
G-52 HLF	~~61~~65%	~~16~~13%	~~23~~22%	4%	2%	2%
G-43 LLF	~~40~~38%	~~25~~23%	~~35~~39%	~~9~~8%	~~11~~10%	~~11~~10%
G-53 HLF	~~61~~65%	~~16~~13%	~~23~~22%	9%	43%	43%
Total				100%	100%	100%
High Load Factor	~~61~~65%	~~16~~13%	~~23~~22%	18%	~~8~~7%	~~8~~7%
Low Load Factor	~~40~~38%	~~25~~23%	~~35~~39%	82%	~~92~~93%	~~92~~93%
Total				100%	100%	100%

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

Description of the Calculation of Percent of Peak Day Requirement to be used for
Capacity Assignment and Capacity Assignment Methodology

Attachment 2 sets forth the percentage of each class' peak-day requirement that will be satisfied by Company gas resources and the amounts allocated to high load factor and low load factor customers for capacity assignment which are segmented into three categories: (1) pipeline; (2) storage; and (3) peaking. The tables reflect two sets of allocators which apply to the high-load factor and low-load factor classes. The Company's non-heating rate classes are considered high-load factor customers and the Company's heating-rate classes are considered low-load factor customers as described further below.

As defined in section 2.0 of the Distribution Service Terms and Conditions, "Pipeline Capacity" includes all interstate transportation contracts intended to serve firm load, exclusive of underground storage withdrawal capacity and underground storage capacity. "Storage Capacity" includes all contracts for upstream (off-system) underground storage, as well as the associated transportation contracts used to withdraw gas inventories and to deliver such volumes to the company's city gate. "Peaking Capacity" includes all contracts and resources normally used by the Company to provide Peaking Service.

The term "load factor" refers to the segmentation of the Company's firm sales load into two categories based on the customer's winter use as a percentage of total annual use. Customers with less than 70 percent of their annual use occurring in the winter season and residential non-heating customers are considered high-load factor. Conversely, customers with more than 70 percent of their use falling in the winter period and residential heating customers are considered low-load factor.

The table below indicates the assignment of the Company's rate classes to the high-load factor and low-load factor categories:

Low Load Factor	High Load Factor
R-3 Residential Heating Regular	R-1 Residential Non-heating Regular
R-4 Residential Heating Low Income	R-2 Residential Non-heating Low Income
G-41 Small High Winter Use	G-51 Small Low Winter Use
G-42 Medium High Winter Use	G-52 Medium Low Winter Use
G-43 Large High Winter Use	G-53 Large Low Winter Use

The capacity allocation to each load-factor category is developed using a basic three-step process. First, the amount of upstream pipeline capacity that is required to satisfy the company's baseload (i.e., non-heat sensitive load) is determined by identifying the system average normalized firm-sales load in the months of July and August. The pipeline resources necessary to meet the Company's base load are then apportioned to the high-load factor and low-load factor classes based on their contribution to the Company's total base load. The

base load for each class is determined as the average normalized daily usage in the months of July and August.

In the second step, the remainder of the pipeline capacity, and the storage and peaking capacity, are assigned to the high-load factor and low-load factor classes. Specifically, the remaining capacity resources are assigned to each rate class in proportion to the class' contribution to the Company's design-day heating load. Class heating factors per degree-day are developed by analyzing the non-base load use forecasted for January for each class and the degree days experienced in that month. The design-day heating load for each class is then determined by multiplying the class heating factors per degree day by the design-day degree day level. Lastly, the design-day heating load of each class is divided by the total system design-day heating load to determine the portion of the remaining resources that will be assigned to each rate class.

For each class, the sum of the pipeline (baseload) capacity assigned as a result of the first step, and the remaining resources assigned as a result of the second step, represents the total resource requirement of the class. The allocation percentages are then derived by dividing the amount of capacity assigned to the class in each resource category by the total resource requirement of the class.

Once the allocation methodology is established, assignment of capacity to a customer is a relatively straightforward process. A customer's Total Capacity Quantity ("TCQ") will be calculated based on the customer's estimated gas usage on the Peak Day, which is derived from customer-specific historical data for base load and heating factors. This process of determining the TCQ would first involve calculating a daily base-use amount that represents the daily, non-heat sensitive use, which is derived by taking the sum of the customer's July and August usage and dividing by the number of days in those two billing cycles.

Next, the Company would take the customer's January bill (the Company's coldest degree day month) and calculate the customer's degree-day heating factor by analyzing the customer's non-baseload use in January and the degree days experienced in that month. The customer's degree-day heating factor would then be applied to the number of degree days in a design day to derive the weather-sensitive heating use on a design day. A customer's total design-day load (base load and design-day heating load) is then correlated to the total resources required to meet the Company's total design-day sendout requirement.

Once a customer's TCQ is established, capacity resources equal to the TCQ are assigned in accordance with the capacity-allocation percentages applicable to the customer's rate class, as established pursuant to the method described above. For example, if the customer's TCQ were 10 therms and the pipeline capacity allocation percentage for the customer's rate class were 40 percent, then 40 percent of the customer's TCQ would consist of pipeline resources, or 4.0 therms out of the 10 therms. Note, that pursuant to section 13.4.2 of the Distribution Service Terms and Conditions, except for the assignment of the initial block of capacity, FG&E shall execute capacity assignments in increments of 200 MMBtus.

Fitchburg Gas and Electric Light Company d/b/a Unitil
Capacity Assignment Tables

Allocation Basis: Contribution to Load at Max Dispatch Threshold (based on January 2005 forecast)

	% of Peak Day Requirement				% of Total Capacity		
	Pipeline	Storage	Peaking	Total	Pipeline	Storage	Peaking
Res LLF	40%	22%	38%	100%	44%	48%	48%
Res HLF	57%	16%	27%	100%	3%	1%	1%
G41-LLF	37%	23%	40%	100%	11%	13%	13%
G51-HLF	63%	14%	23%	100%	2%	1%	1%
G42-LLF	38%	23%	39%	100%	19%	22%	22%
G52-HLF	62%	14%	24%	100%	4%	2%	2%
G43-LLF	37%	23%	40%	100%	8%	10%	10%
G53-HLF	70%	11%	19%	100%	9%	3%	3%
Subtotal LLF	38%	23%	39%	100%	82%	93%	93%
Subtotal HLF	65%	13%	22%	100%	18%	7%	7%
Total					100%	100%	100%

	Peak Day Requirement (MDQ in Dth)			
	Pipeline	Storage	Peaking	Total[1]
Res LLF	4,093	2,305	3,924	10,322
Res HLF	262	75	127	464
G41-LLF	972	617	1,050	2,638
G51-HLF	193	42	71	306
G42-LLF	1,726	1,051	1,790	4,567
G52-HLF	397	91	155	642
G43-LLF	778	499	849	2,125
G53-HLF	829	128	219	1,176
Subtotal LLF	7,569	4,471	7,613	19,653
Subtotal HLF	1,681	336	571	2,588
Total	9,250	4,807	8,184	22,241

[1] The grand total matches Schedule I, Worksheet 4, Page 1 of the September 17, 2004 Cost of Gas Adjustment Clause filing. The class totals vary slightly since the scaled design day total use was shown for illustrative purposes only in that filing. The actual class peak day requirements are shown here. In this calculation, the requirements were scaled up individually by source (pipeline, storage, and peaking) whereas in the Cost of Gas Adjustment Clause filing, the scaling was done at the total level.