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August 15, 2001

VIA HAND DELIVERY

Ms. Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd floor
Boston MA 02110

RE: Investigation by the Department to Establish Guidelines for Service Quality & Standards, D.T.E. 99-84 & Blackstone Gas Company, D.T.E. 01-50

Dear Ms. Cottrell:

In its Memorandum regarding Request For Exemption From Service Quality Standards (D.T.E. 99-84), the Department seeks comments on Blackstone Gas Company's ("Blackstone") request for waivers from the Department's Order and Guidelines in D.T.E. 99-84. Fitchburg Gas and Electric Light Company ("FG&E") hereby responds to the Department's request and offers the following regarding Blackstone's request for waivers.

Blackstone requests a waiver from the Department's Customer Service and Billing Performance measures until at least three years of data is acquired. FG&E believes this request is reasonable. In the Department's Order, the Department clearly states: "[w]here ten years worth of information is not available to a specific company, the company is directed to use the maximum number of years available, so long as three years are available." D.T.E. 99-84 at Attachment 1, p. 4 (June 29, 2001) (emphasis supplied). A reasonable understanding of this requirement is that if three years of data is not available, a benchmark cannot be established and, moreover, could not be set, until such time three years of data is available. This requirement is reasonable and should be used to establish the Department's benchmark for this measure.

FG&E does not have an opinion as to whether Blackstone should or should not install a new phone system. However, FG&E believes that generally, the costs of implementation should

be considered and the benefits evaluated as part of any potential infrastructure changes in order to meet service quality benchmarks.

Blackstone also requests that, due to its small size, the Department waive the Lost Work-Time Accident Rate measure. FG&E would support a different penalty structure for Blackstone that may be appropriate given its small size. In FG&E's view, an appropriate penalty structure should recognize that, for a small gas or electric company, one observation can be of much greater impact in percentage terms than for a large gas or electric company (1 out of 50 = 2% whereas 1 out of 500 = 0.2%). In fact, Blackstone says as much as part of its request for waiver. For a service quality measure with a 1% deadband and one "negative" observation, a small utility in this example would incur a penalty while a larger utility would not. FG&E believes that the Department should remain flexible with respect to the penalty structure to account for the impact of a single "negative" observation on a smaller gas or electric company. As the Department might anticipate, it is possible that FG&E may experience similar problems with the application of the penalty structure to its service quality measures.

FG&E appreciates the opportunity to comment in this matter. Please do not hesitate to telephone me with any questions.

Very truly yours,

Patricia M. French

cc: Caroline O'Brien, Hearing Officer
Mr. George Yiankos, Director, Gas Division
Mr. Kevin Brannelly, Director of Rates and Revenue
Service List in DTE 99-84
Blackstone Gas Company, D.T.E. 01-50