

**STATEMENT REGARDING  
WHITINSVILLE WATER COMPANY  
RATE INCREASE APPROVED BY MASSACHUSETTS D.P.U.**

In July of 2023, the Whitinsville Water Company filed a petition with the Massachusetts Department of Public Utilities for approval of an increase in the rates it charges for water service, D.P.U. No. 23-64. The Company's last rate increase was approved by the DPU in April of 2018. As it did in prior cases, the Town of Northbridge participated in the current rate case proceeding as an intervening party. Per its role under state law, the Attorney General's Office was also an intervening party. In February of this year, the Water Company, the Attorney General's Office, and the Town submitted to the DPU a Joint Motion for Approval of Settlement Agreement to resolve the case. By order of the DPU issued on April 3, the Joint Motion was approved. On April 18, the DPU granted approval for new rate schedules (tariffs) based on the elements of the Settlement Agreement. The information below includes some general background on the Water Company and the rate case, and the main points of the rate settlement.

The Whitinsville Water Company provides water to both residential and commercial customers, including the Town of Northbridge, as the operator of the Northbridge Water Department. The main reasons for the proposed rate change were payment for capital improvements to the Company's water system since the 2018 rate increase and general increases in the costs of operation during that time. Those capital improvements include approximately 18,000 feet of new water mains and/or piping, upgrades to water treatment facilities and operating equipment, and cybersecurity measures.

When the Company filed its petition in July of 2023, the DPU suspended the effective date of any rate increase, per usual practice. The original suspension period was set to run until June 1, 2024. In October of 2023, the DPU granted the Town's motion to intervene in the case. From that point, the Town participated in discussions and negotiations with the Company and the Attorney General's Office in an effort to reach agreement on a modified rate increase. As part of that process, DPU staff and the Energy & Ratepayer Advocacy Division of the Attorney General's Office reviewed the Company's petition and analyzed the financial information filed with the petition as well as additional information provided by the Company in response to DPU requests.

In the petition to the DPU, the Water Company proposed an approximately 53% overall increase in water rates, with a request for approval of a total revenue increase of \$1,759,000. Under the Settlement Agreement approved by the DPU the revenue increase will be \$1,250,000, and it will be phased in as part of a two-step process. The first increase is effective for water supplied on and after May 1, 2024, and the second increase is effective for water supplied on and after May 1, 2025.

The new rates approved under the Settlement Agreement take into account various cost elements and the different types of services for Company customers. These include the basic elements of the Company's existing rate structure, which includes a fixed service charge and a volume charge – based on the quantity of water used. These two charges are the components of the rate structure that most directly affect residential customers.

Under the new tariffs approved by the DPU, there will be changes to both the service charge and the volume charge. For the "typical" residential customer – a customer with a 5/8 inch meter, the monthly service charge will increase from \$18.04 to \$22.96 in step 1 (27.3%), and from \$22.96 to \$24.88 in step 2 (8.3%); and the volume charge (per 100 cubic feet of water used) will increase from \$4.83 to \$6.15 in step 1 (27.3%) and from \$6.15 to \$6.66 in step 2 (8.3%) The effect of the new rates on the typical residential user, based on a use level of 800 cubic feet of water per month, would be an increase in the same percentage amounts. In step 1 the monthly payment would increase from \$56.68 to \$72.15, and in step 2 the monthly payment would increase to \$78.17. The dollar increase for higher volume users will be more because of greater

water usage, but the percentage increase in the tariffs will be the same for all meter sizes: 27.3% in step 1 and 8.3% in step 2. The tables below show the rate increase amounts for the service charge (the zero CCF line) and for the volume range from zero to 3,000 cubic feet per month.

In addition to the phase-in of the rate increase, the Settlement Agreement stipulates that the Company may not make a filing with the DPU that would have the effect of allowing a customer rate increase with an effective date of prior to June 1, 2026.

The Town will continue to take all appropriate action to represent the interests of water service customers in maintaining a fair system of rates.

STEP 1 (5/8" Meter)

<u>CCF</u>	<u>Old</u>	<u>New</u>	<u>Increase</u>	<u>Inc %</u>
0	\$ 18.04	\$ 22.96	\$ 4.92	27.3%
1	\$ 22.87	\$ 29.11	\$ 6.24	27.3%
2	\$ 27.70	\$ 35.26	\$ 7.56	27.3%
3	\$ 32.53	\$ 41.41	\$ 8.88	27.3%
4	\$ 37.36	\$ 47.56	\$ 10.20	27.3%
5	\$ 42.19	\$ 53.71	\$ 11.52	27.3%
6	\$ 47.02	\$ 59.86	\$ 12.84	27.3%
7	\$ 51.85	\$ 66.01	\$ 14.16	27.3%
<b>8</b>	<b>\$ 56.68</b>	<b>\$ 72.15</b>	<b>\$ 15.47</b>	<b>27.3%</b>
9	\$ 61.51	\$ 78.30	\$ 16.79	27.3%
10	\$ 66.34	\$ 84.45	\$ 18.11	27.3%
15	\$ 90.49	\$ 115.19	\$ 24.70	27.3%
20	\$ 114.64	\$ 145.94	\$ 31.30	27.3%
24	\$ 133.96	\$ 170.53	\$ 36.57	27.3%
27	\$ 148.45	\$ 188.98	\$ 40.53	27.3%
30	\$ 162.94	\$ 207.42	\$ 44.48	27.3%

STEP 2 (5/8" Meter)

<u>CCF</u>	<u>Old</u>	<u>New</u>	<u>Increase</u>	<u>Inc %</u>
0	\$ 22.96	\$ 24.88	\$ 1.92	8.3%
1	\$ 29.11	\$ 31.54	\$ 2.43	8.3%
2	\$ 35.26	\$ 38.20	\$ 2.94	8.3%
3	\$ 41.41	\$ 44.86	\$ 3.45	8.3%
4	\$ 47.56	\$ 51.53	\$ 3.97	8.3%
5	\$ 53.71	\$ 58.19	\$ 4.48	8.3%
6	\$ 59.86	\$ 64.85	\$ 4.99	8.3%
7	\$ 66.01	\$ 71.51	\$ 5.50	8.3%
<b>8</b>	<b>\$ 72.15</b>	<b>\$ 78.17</b>	<b>\$ 6.02</b>	<b>8.3%</b>
9	\$ 78.30	\$ 84.83	\$ 6.53	8.3%
10	\$ 84.45	\$ 91.49	\$ 7.04	8.3%
15	\$ 115.19	\$ 124.80	\$ 9.61	8.3%
20	\$ 145.94	\$ 158.11	\$ 12.17	8.3%
24	\$ 170.53	\$ 184.75	\$ 14.22	8.3%
27	\$ 188.98	\$ 204.74	\$ 15.76	8.3%
30	\$ 207.42	\$ 224.72	\$ 17.30	8.3%