



March 31, 2022

**Re: NOTICE TO CUSTOMERS REGARDING GENERAL RATE PROCEEDING PER CHAPTER 120 PERTAINING TO SUMMIT NATURAL GAS OF MAINE, INC., DOCKET NO. 2022-00025.**

Dear Valued Summit Natural Gas of Maine Customer,

At Summit Natural Gas of Maine (“Summit”), every day we provide safe and reliable natural gas to thousands of Mainers for home heating, hot water, cooking and more. To do that, we must operate, maintain, and continuously improve and invest in more than 300 miles of pipeline while continuing to provide the quality customer service you’ve come to expect from your local natural gas utility company. These are the services that are paid for through our rates. As a valued customer, we are providing this letter to notify you that Summit is seeking approval from the Maine Public Utilities Commission (“MPUC”) for a 7-year alternative rate plan that will increase rates for our Maine customers. The rate plan that was established in 2013 when Summit first began serving communities in Maine is expiring, and we are required by the MPUC to file a new rate plan.

Summit is proposing an effective date of January 1, 2023, for the new rate plan. This will require a submittal to the MPUC no later than March 31, 2022. This March 31 submittal will start a process of approval with the Maine Commission that could span up to 9 months. This process of review and discovery is important to ensure a fair rate plan for all parties involved. Summit also values this process because it is one in which you, the customer, can take part.

The proceeding at the MPUC in which it considers Summit’s proposed rate plan will be a transparent process that includes ample opportunity for public input and participation along the way. Through the proceeding, the MPUC will review Summit’s operations, financial statements, forecasts, and additional information to ultimately determine how much it costs us to serve our customers and how much we need to charge customers to cover these costs.

Over the previous decade Summit has taken great pride in our stellar customer service, the focus we place on growth and expansion, and finally, stable rates for those needing gas supply. While this proposed rate plan will increase rates for our Maine customers, it is paramount to Summit that we remain competitive and cost-effective throughout our service territory. Summit places great importance on our cost-effective, environmentally conscious service and we will continue to do so. We will also continue to focus on growth as this rate plan takes effect, as this ensures a healthy and low-cost ecosystem for all customers and businesses in Maine.

The proposed increase in distribution rates among residential and business customers in year 1 of the rate plan will increase revenues by approximately \$2.8 million. If Summit’s proposal is approved as requested, there will be a 30 percent increase in distribution and service & facility rates. The proposed rate plan would permit annual increases in years 2-7 up to an annual cap of 15 percent, but annual



increases could be less than that cap. Under the proposed plan, the average monthly increases to Summit’s distribution and service & facility rates, which do not include the cost of gas itself, would vary for different customer classes, as shown in the table below:

Year 1	Customer Class	Percentage Increase to Base Rates <sup>1</sup>	Average Dollar Increase to Monthly Base Rates Charges
2023	Residential	30%	\$27.28
2023	Small Commercial	30%	\$88.22
2023	Large Commercial	30%	\$623.30

Years 2-7	Customer Class	Allowable Range for Percentage Increase to Base Rates <sup>1</sup>	Range for Average Dollar Increase to Monthly Base Rates Charges
2024	Residential	0% - 15%	\$0.00 - \$17.71
2025	Residential	0% - 15%	\$0.00 - \$20.37
2026	Residential	0% - 15%	\$0.00 - \$23.42
2027	Residential	0% - 15%	\$0.00 - \$26.93
2028	Residential	0% - 15%	\$0.00 - \$30.98
2029	Residential	0% - 15%	\$0.00 - \$35.60
2024	Small Commercial	0% - 15%	\$0.00 - \$57.45
2025	Small Commercial	0% - 15%	\$0.00 - \$65.91
2026	Small Commercial	0% - 15%	\$0.00 - \$75.73
2027	Small Commercial	0% - 15%	\$0.00 - \$87.21
2028	Small Commercial	0% - 15%	\$0.00 - \$100.37
2029	Small Commercial	0% - 15%	\$0.00 - \$115.27
2024	Large Commercial	0% - 15%	\$0.00 - \$405.70
2025	Large Commercial	0% - 15%	\$0.00 - \$464.48
2026	Large Commercial	0% - 15%	\$0.00 - \$535.67
2027	Large Commercial	0% - 15%	\$0.00 - \$616.72
2028	Large Commercial	0% - 15%	\$0.00 - \$707.85
2029	Large Commercial	0% - 15%	\$0.00 - \$814.85

Notes: (1) Percentage Increase to Base Rates includes distribution rates and service & facility charges.



Summit's existing rate plan has been in place since 2013, and as with most companies across Maine, Summit has experienced rising costs for labor, maintenance and goods and services over that time. In an effort to continue to provide safe, reliable service to Maine customers, rates will be adjusted to more accurately reflect the cost of business. These new rates will provide Summit the ability to advance our operations with regard to maintenance, operations and environmental innovation. Summit is seeking fair rates through which we will continue to provide excellent service to the businesses, hospitals, government buildings and residential houses in Maine that have come to rely on us for natural gas service.

We want to remind you that you have a right to participate in this proceeding. Summit customers may participate in this proceeding in any of the ways described below.

- 1. You may register** on the Commission's Case Management System ("CMS") to receive a notice whenever a party submits a new filing related to this case (the docket number for the case is 2022-00025). Instructions on how to register and use CMS can be found at: <http://www.maine.gov/mpuc/online/index.shtml>
- 2. You may appear as a public witness** at a hearing scheduled by the Commission. At the public witness hearing, you will have the option of giving your views on the proposed increase under oath.
- 3. You may petition to intervene as a full party to the proceeding.** If the Commission approves your petition, you will be able to participate in all hearings and negotiations related to the case. Your petition **must be filed with the Commission no later than April 11, 2022**, and it must include 1) the name and docket number of this proceeding; 2) the manner in which you are affected by this proceeding; 3) a short and plain statement of the nature and extent of the participation you seek; and 4) a statement of the nature of the evidence or argument you intend to submit. You may also submit your petition in writing via U.S. mail to: Administrative Director, Maine Public Utilities Commission, 18 State House Station, Augusta, ME 04330-0018.

Petitions to intervene will be ruled on at an initial case conference scheduled by the Commission for April 13, 2022 at 1:30 p.m., as noticed by the Commission via CMS. The conference will be conducted online via the Microsoft Teams application. The Commission has also established a conference call number for those who are unable to attend via video, and interested persons not seeking intervention. The dial-in number is (207) 209-4724, and the conference ID is 923 828 051#

#### **THE COMMISSION WILL NOT PUBLISH ANY FURTHER NEWSPAPER NOTICES OF THIS PROCEEDING OR ANY HEARINGS**

- 4. You may file public comments.** Any person may file comments on this case through the Commission's CMS. Directions for filing public comments can be found at <http://www.maine.gov/mpuc/online/index.shtml>



For more information about this proceeding, you may contact the Administrative Director of the Commission at (207) 287-3831, the Office of the Public Advocate, which represents ratepayers, at (207) 624-3687, or Customer Service at (800) 909-7642.

**If you would like to learn more about this regulatory rate review, please visit our website at [summitnaturalgasmaine.com/rate-case](http://summitnaturalgasmaine.com/rate-case).** There you will find Summit's answers to frequently asked questions, additional rate case documentation and more. You can also call Summit's customer service team at 800-909-7642. We are here to help!

We greatly appreciate the opportunity to be your natural gas provider, and are truly committed to providing you with safe, reliable, and affordable natural gas service. Our proposed alternative rate plan will help us to achieve that goal.