

PEDA



PITTSFIELD ECONOMIC DEVELOPMENT AUTHORITY

August 16, 2017

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: DPU Filing 17-05

Dear Secretary Marini,

On behalf of the Board of Directors of the Pittsfield Economic Development Authority (PEDA), I am writing to oppose the proposed electric rate increases requested by Eversource Energy on January 17th and the subsequent revised rate design filed on June 1st.

Economic Development practitioners face many challenges in growing the economy of their communities and having the third highest electric rates in the Nation is one of the largest obstacles to business expansion and job growth in Massachusetts. Competition is fierce from the southern states, but even 30 miles away in boarding New York we are at a disadvantage. We are fortunate that the Commonwealth's history, educational prowess, intellectual capital, research institutions and skilled work force are mitigating factors that can compensate for higher utility costs. The Berkshires, however, do not enjoy as significant a concentration of these offsets, therefore, the impacts of this disproportionate rate increase will be devastating to our growth.

We note that there is a better balance between the eastern and western parts of the Commonwealth under the revised rate design filing, but it does not go far enough and the per user impact remains extremely high and disproportionate. For the large commercial and industrial users the two year, 33%+ increase could exceed six figures and due to contractual sales obligations many companies do not have the ability to pass on these costs. As a result, some businesses might have to reduce salaries or cut jobs and others may not survive. For the smaller users, and cultural and nonprofit organizations, the increases will be passed off in higher prices, but that will only compound the residential effect, reducing disposable income and, in turn, reducing sales for those same businesses.

Of additional concern in this rate request are the proposed changes in the alternative energy arena that impact incentives for the use of solar. Imposing new demand charges, higher fixed charges and lowering net metering credits for solar projects tied to the Grid are counter intuitive. Communities like Pittsfield, who have invested in solar and use these credits to defray expenses, will have no choice but to increase taxes to compensate.

Finally we encourage you to clarify the Grid Modernization plan and the use of performance based ratemaking process for annual adjustments.

The PEDA board supports a valued rate of return for Eversource Energy, but we believe it should be more in keeping with the national average for public utilities and not to the extent proposed. We urge the Department of Public Utilities to consider the economic health of the Berkshires, its residents, and its commercial and cultural businesses when reviewing these rate proposals. We can't afford consequences like the 55% rate increase in 2007 that resulted in the loss of over 400 jobs from three large employers that ceased operations. Our economy is fragile and it will be most difficult to absorb these rate increases and grow good paying manufacturing jobs at the same time.

Thank you for your consideration.

Sincerely,



Corydon L Thurston
Executive Director