

New Electricity Distribution Prices — October 2016

Frequently Asked Questions

In November 2015, National Grid submitted a proposal for new electricity distribution prices to the Massachusetts Department of Public Utilities to reflect the actual cost of delivering reliable electricity to our customers. Following a thorough review process, the DPU issued its decision on September 30, 2016 and new prices took effect October 1.

Why did National Grid propose to raise electricity distribution rates at this time?

We recognize the challenges our customers face managing their electric bills. We have not sought an increase to cover the costs of operating and maintaining the electrical system since 2009, based on 2008 costs. (Those rates went into effect in early 2010). Since that time, the actual costs of providing service to customers have increased significantly. The electricity distribution rates approved by the DPU will better reflect the cost of providing safe and reliable service to each of the communities we serve.

What does that mean for my bill?

The DPU's order on our distribution prices followed a rigorous 11-month review that included the participation of numerous stakeholders who share our interest in safe, reliable, and affordable electricity service. This update in our base electricity distribution prices will result in an approximately 7 percent bill increase for our residential customers, effective Oct. 1. Supply prices, the portion of the bill the company does not control and passes to customers at cost, are changing Nov. 1. A slight decrease in winter supply prices this winter will actually result in an approximately 5 percent total bill decrease, year over year.

Are there other changes I can expect for my bill?

As mentioned above, electricity supply, or the commodity portion of electric bills, is adjusted twice a year when National Grid procures energy on our customers' behalf. These market-based prices are passed to customers with no mark-up. We have contracted for electricity supply for the upcoming winter season and have new base Basic

Service rates approved by the Department of Public Utilities beginning November 1.

The new price is 9.7 cents per kilowatt hour, compared to the current 8 cents.

Please note that bills reflecting October usage may be delayed as we implement the new distribution prices that went into effect October 1. If your October bill is delayed, your due date will also be extended.

Are there programs available to help me manage my electricity bill?

Energy Saving Programs – From simple no-cost tips to more comprehensive energy efficiency programs, we offer solutions whether you rent or own your home. Now is a great time for homeowners to sign up for a no-cost energy assessment to learn ways to save money and improve comfort.

Budget Plan – This program allows you to spread out your energy costs over the course of the year, so your bill is more predictable. To qualify, your account must be current, with no outstanding balance.

Payment Assistance – Lower-income families and customers needing special assistance may qualify for programs to help meet their energy needs. We also offer payment arrangements for customers who have fallen behind on payments and cannot pay their bill in full. For additional information on payment assistance programs, please call our Customer Contact Center at **800-322-3223**.

Energy Suppliers – You can choose who supplies your electricity. We encourage you to consider all available energy supply options. Whoever you choose as your supplier, we'll continue to deliver your electricity, maintain our poles and wires and respond to emergencies.

To learn more about these solutions and options, please visit ngrid.com/billhelp