

## **Department of Public Utilities Announces Final Order for Energy Rates**

Massachusetts Department of Public Utilities (DPU)

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## **Department of Public Utilities Announces Final Order for Energy Rates**

After Public Process, Department Approves Rates Significantly Lower Than Initially Requested

BOSTON — The Department of Public Utilities (DPU) today issued a final Order that will lead to investments in clean energy technologies, reductions in greenhouse gas emissions, and improvements in infrastructure resiliency, service reliability and quality, and customer satisfaction while reducing the total rate increase request of National Grid. The action by the DPU follows a ten-month investigation that included five public hearings across National Grid’s service territory, fifteen days of evidentiary hearings, and a review of more than two thousand exhibits. National Grid provides electric service to approximately 1.3 million customers in 172 cities and towns in the Commonwealth and across a service territory that spans nearly 3,870 square miles.

The DPU’s Order reduced National Grid’s base revenue request by approximately \$41.8 million — decreasing National Grid’s original requested increase of \$132.2 million by 32%. Today’s decision marks the first time that National Grid’s electric base distribution rates have changed since 2016.

“The final result of this order will ensure Massachusetts continues to lead the way by investing and providing clean and reliable energy solutions to the ratepayer,” said DPU Chairman Matthew Nelson. “The Department of Public Utilities is conscious of what every dollar means to customers, and this decision will ensure customers experience minimal modest bill impacts while ensuring that the electric grid maintains safe and provides a reliable service.”

Through today’s Order, the Department approved several proposals that will help to accelerate the development of electric vehicle infrastructure and support growth of electric vehicle usage in the Commonwealth. Efforts under the proposal include a fleet advisory program designed to assist government entities to make informed decisions on the most cost-effective solution to deploy electric vehicles as part of their fleet, and development of a plan to research the economic, environmental and customer benefits of co-locating electric vehicle fast chargers with third party deployed energy storage systems and solar facilities. The Order also adopts a

provision offering an off-peak charging incentive for residential customers and approves an independent audit to review the Company's management practices. The review will encompass IT and cybersecurity strategy and planning as well as the management and staffing of the Company's electric vehicle program. Furthermore, Order reflects the Department of Public Utilities' support of National Grid's effort to implement energy storage demonstration projects and commitment to the Commonwealth's objectives for energy storage as part of their Grid Modernization Plan. Lastly, the Order increases National Grid's allocation of funds to a dedicated storm fund by nearly \$6 million.

The Department approved a Performance Based Ratemaking mechanism which strives to balance funding the replacement of essential aging infrastructure with avoiding constantly increasing rate case expenses which result in uncertainty for Massachusetts residents and businesses. Under the proposal, National Grid is incentivized to identify and implement cost-reducing energy efficiencies, improve system resiliency, increase customer satisfaction, and make investments in advanced clean energy technologies.

The Order precludes National Grid from filing another rate case until the end of 2023. The rates approved in the decision will take effect on November 1, 2019.