



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARING, AND PROCEDURAL CONFERENCE

D.P.U. 18-GSEP-03

November 13, 2018

Petition of Boston Gas Company and Colonial Gas Company, each d/b/a National Grid for Approval of 2019 Gas System Enhancement Plans, pursuant to G.L. c. 164, § 145, and for rates effective May 1, 2019.

On October 31, 2018, Boston Gas Company (“Boston Gas”) and Colonial Gas Company (“Colonial Gas”), each doing business as National Grid (collectively, “Companies”), submitted to the Department of Public Utilities (“Department”) their 2019 gas system enhancement plans (“GSEPs”) to replace aging natural gas pipeline infrastructure. Boston Gas and Colonial Gas seek approval to collect \$40,783,994 and \$8,724,541, respectively, through the gas system enhancement adjustment factor (“GSEAF”) to recover the cumulative cost to replace eligible leak-prone infrastructure through the end of calendar year 2019. In addition, Boston Gas seeks a waiver of the 1.5 percent revenue cap for 2020. The Department has docketed this matter as D.P.U. 18-GSEP-03.

Additionally, National Grid has proposed a method for the recovery of the allowance for funds used during construction (“AFUDC”) for GSEP projects. The proposed AFUDC recovery method is a three-part test jointly proposed by National Grid and the other gas local distribution companies (“LDCs”). The Companies have also filed their first five-year update of the GSEPs, which provides a summary of the progress the Companies have made to date replacing leak-prone infrastructure, a summary of the work to be completed under their GSEPs for the next five years, and a discussion of GSEP issues that National Grid and the other LDCs have identified as impacting the continued effectiveness of GSEPs.

According to the Companies, their proposed 2018 GSEPs are consistent with the requirements of G.L. c. 164, § 145, which allows gas distribution companies to accelerate the replacement of eligible infrastructure in order to improve public safety or infrastructure reliability, and to reduce or potentially reduce lost and unaccounted for natural gas. Boston Gas states that approval of the GSEAF will result in a monthly bill decrease of \$3.23 or 1.6 percent for the average residential heating customer using 124 therms per month during winter months, and a monthly bill decrease of \$0.71 or 1.8 percent for the average residential heating customer using 27 therms per month during summer months. Colonial Gas states that approval of the GSEAF will result in a monthly bill decrease of \$1.52 or

1.0 percent for the average residential heating customer using 107 therms per month during winter months, and a monthly bill decrease of \$0.36 or 1.0 percent for the average residential heating customer using 26 therms per month during summer months. Pursuant to G.L. c. 164, § 145, on May 1, 2020, the Companies will submit to the Department the amounts recovered through the GSEAF for reconciliation with actual calendar year 2019 GSEP costs. Boston Gas proposes that the following rates for each customer class take effect on May 1, 2019:

Residential	\$0.0407 per therm
Small Commercial and Industrial (“C&I”)	\$0.0386 per therm
Medium C&I	\$0.0384 per therm
Large C&I	\$0.0350 per therm
Extra Large C&I	\$0.0327 per therm

Colonial Gas proposes that the following rates for each customer class take effect on May 1, 2019:

Residential	\$0.0392 per therm
Small C&I	\$0.0296 per therm
Medium C&I	\$0.0273 per therm
Large C&I	\$0.0213 per therm

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a notice to intervene in this matter pursuant to G.L. c. 12, § 11E(a). Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a notice of intent to retain experts and consultants to assist in her investigation of the Company’s filing, and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company’s rates. Any person who desires to comment on the Attorney General’s notice of intent to retain experts and consultants in this matter may submit written comments to the Department not later than the close of business (5:00 p.m.) on **Tuesday, November 27, 2018**.

The Department will conduct a public hearing to receive comments on the Companies’ petition. The hearing will take place on **Wednesday, December 5, 2018, at 2:00 p.m.**, at the Department’s offices, One South Station – 5th Floor, Boston, Massachusetts 02110. A procedural conference will take place immediately following the public hearing. Any person who desires to comment may do so at the time and place noted above, or submit written comments to the Department not later than the close of business (5:00 p.m.) on **Wednesday, December 5, 2018**.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business (5:00 p.m.) on **Tuesday, November 27, 2018**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. All responses to petitions to intervene must be filed by the close of business (5:00 p.m.) on the second business day after the petition to intervene was filed.

An original and one (1) copy of all written comments or petitions to intervene must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station – 5th Floor, Boston, Massachusetts 02110 not later than the close of business (5:00 p.m.) on the dates noted above. One copy of all written comments or petitions to intervene should also be sent to the Companies' attorney, Melissa Liazos, Esq., National Grid, 40 Sylvan Road, Waltham, Massachusetts, 02451.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dpu.efiling@state.ma.us](mailto:dpu.efiling@state.ma.us) and to Alice Davey, Hearing Officer, [Alice.Davey@mass.gov](mailto:Alice.Davey@mass.gov), and Sarah Spruce, Hearing Officer, [Sarah.Spruce@mass.gov](mailto:Sarah.Spruce@mass.gov); or (2) on a CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding, D.P.U. 18-GSEP-03; (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "18-GSEP-03").

Copies of the Companies' petition are on file at the Department's offices, One South Station, Boston, Massachusetts 02110 for public viewing during business hours, and on the Department's website. A copy is also on file for public viewing at the office of National Grid, 40 Sylvan Road, Waltham, Massachusetts. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or 617-305-3642. Any person desiring further information regarding Boston Gas's or Colonial Gas's petitions should contact counsel for the Companies, Melissa Liazos, at 781-907-2108. Any person desiring further information regarding this notice should contact Alice Davey or Sarah Spruce, Hearing Officers, Department of Public Utilities, at 617-305-3500.

Reasonable accommodations at public or evidentiary hearings for people with disabilities are available on request. Include a description of the accommodation you will

need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. Contact the Department's ADA coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or 617-305-3642.