



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING, PUBLIC HEARING AND PROCEDURAL CONFERENCE

D.P.U. 15-155

November 17, 2015

Investigation by the Department of Public Utilities on its own motion as to the propriety of the rates and charges proposed by Massachusetts Electric Company and Nantucket Electric Company in their petition for approval of an increase in base distribution rates for electric service pursuant to G.L. c. 164, § 94 and 220 C.M.R. § 5.00 et seq., filed with the Department on November 6, 2015, to be effective December 1, 2015.

On November 6, 2015, Massachusetts Electric Company and Nantucket Electric Company, together doing business as National Grid (“Companies”) filed a petition with the Department of Public Utilities (“Department”) for approval of a general increase in electric distribution rates. The Department has docketed this matter as D.P.U. 15-155, and it has suspended the effective date of the proposed rate increase until October 1, 2016, in order to investigate the propriety of the Companies’ request. The Companies were last granted an increase in electric distribution rates in 2009 in Massachusetts Electric Company/Nantucket Electric Company, D.P.U. 09-39 (2009).

In the instant filing, the Companies seek a combined increase in base distribution rate revenues of \$211.3 million. The Companies contend that their petition also includes a \$68.3 million decrease in revenues recovered in charges outside of base rates. Thus, the Companies claim that their petition requests a net increase in annual delivery revenues of \$142.9 million, or a 21.8 percent increase in current annual delivery revenues.

As part of this filing, the Companies propose to continue its capital investment recovery mechanism, which was approved in D.P.U. 09-39 and permits the Companies to recover the revenue requirement associated with incremental capital investments. Further, the Companies propose to continue, with several proposed modifications, its storm contingency fund, which originally was approved in Massachusetts Electric Company, D.T.E. 99-47 (2000), and permits the Companies to recover costs associated with certain storm-restoration activities. In addition, the Companies offer several proposals concerning the recovery of property tax expenses. Additional information regarding these and other proposals can be found in the Companies’ filing.

If the Companies' petition is approved as filed, all customers can expect to experience an increase in electric rates to be effective October 1, 2016, except for customers on Rate G-1 (small commercial and industrial) with high monthly use and customers on Rate S-5 (delivery service to customer-owned street lighting), both of which can expect a decrease ("Phase I"). Subsequently, residential customers (Rates RD-1 and RD-2) and small commercial and industrial customers (Rate G-1), can expect to experience an additional rate change that would take effect no earlier than six months after the October 1, 2016 rate increase ("Phase II"). For example, according to the Companies, the proposed net increase in annual delivery revenues, if approved as requested, would result in the following rate effects:

Phase I:

- a typical Massachusetts Electric Company residential customer receiving service under Rate RD-1, that uses on average 600 kilowatt hours ("kWh") of electricity per month will experience a monthly bill increase of \$9.00 or 6.8 percent;
- a typical Nantucket Electric Company residential customer receiving service under Rate RD-1, that uses on average 600 kWh of electricity per month will experience a monthly bill increase of \$9.00 or 6.4 percent;
- a typical Massachusetts Electric Company low-income residential customer receiving service under Rate RD-2, that uses on average 600 kWh of electricity per month will experience a monthly bill increase of \$6.75 or 7.2 percent;
- a typical Nantucket Electric Company low-income residential customer receiving service under Rate RD-2, that uses on average 600 kWh of electricity per month will experience a monthly bill increase of \$6.75 or 6.8 percent; and
- bill impacts for commercial and industrial customers will vary and could be as high as 7.8 percent for Massachusetts Electric Company customers and as high as 6.9 percent for Nantucket Electric Company customers depending on usage.

Phase II:

- a typical Massachusetts Electric Company residential customer receiving service under Rate RD-1, that uses on average 600 kWh of electricity per month will experience a monthly bill decrease of \$4.28 or 3.0 percent;
- a typical Nantucket Electric Company residential customer receiving service under Rate RD-1, that uses on average 600 kWh of electricity per month will experience a monthly bill decrease of \$4.28 or 2.9 percent;
- a typical Massachusetts Electric Company low-income residential customer receiving service under Rate RD-2, that uses on average 600 kWh of electricity per month will experience a monthly bill decrease of \$3.21 or 3.2 percent;

- a typical Nantucket Electric Company low-income residential customer receiving service under Rate RD-2, that uses on average 600 kWh of electricity per month will experience a monthly bill decrease of \$3.21 or 3.0 percent;
- a typical Massachusetts Electric Company small commercial and industrial customer receiving service under Rate G-1, that uses 1,200 kWh of electricity per month will experience a monthly bill decrease of \$1.82 or 0.7 percent; and
- a typical Nantucket Electric Company small commercial and industrial customer receiving service under Rate G-1, that uses 1,200 kWh of electricity per month will experience a monthly bill decrease of \$1.82 or 0.6 percent.

For specific bill impacts, please contact the Companies as indicated below.

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) has 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 has filed a notice of retention of experts and consultants to assist in her investigation of the Companies’ filing, and has requested Department approval to spend up to \$250,000 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 rates.

The Department will undertake a 10-month investigation of the Companies’ petition. As part of the investigation, the Department has scheduled public hearings throughout the Companies’ service area to solicit customer comment on the Companies’ petition. In order to reduce the likelihood of potential scheduling conflicts caused by severe winter weather and to better accommodate the Companies’ customers, the Department has scheduled public hearings to receive comments on the Companies petition as follows:

March 15, 2016, at 7:00 p.m. at the South Junior High School Auditorium, 105 Keith Avenue Ext., Brockton, MA 02301.

March 21, 2016, at 7:00 p.m.. at Nantucket High School, Mary P. Walker Auditorium, 10 Surfside Road Nantucket, MA 02554.

March 30, 2016, at 7:00 p.m. at Worcester Technical High School, 1 Skyline Drive, Worcester, MA 01605.

April 4, 2016, at 7:00 p.m. at Great Barrington Fire Station – Meeting Room, 37 State Road, Great Barrington, MA 01230.

April 6, 2016, at 6:00 p.m. at Lawrence Public Library, 51 Lawrence Street Lawrence, MA 01841.

Persons interested in commenting on the Companies' filing may appear at any of the public hearings or may file written comments by the close of business (5:00 p.m.) on **April 6, 2016**.

A procedural conference in this matter will be held at the Department's office on **December 16, 2015, at 2:00 p.m.**

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding no later than the close of business (5:00 p.m.) on **December 11, 2015**. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

Any person who seeks to intervene in this matter and also desires to comment on the Attorney General's notice of retention of experts and consultants must file the comments no later than the close of business (5:00 p.m.) on December 11, 2015.

Written comments, petitions for leave to intervene or to participate, and comments on the Attorney General's notice of retention of experts and consultants should be addressed to: Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, MA 02110. Receipt by the Department, not mailing, constitutes filing.

In addition to the above filing requirement, one (1) copy of all materials filed with the Department should be sent to Marc J. Tassone, Hearing Officer, Department of Public Utilities, One South Station, 5th Floor, Boston, MA 02110; one (1) copy of these documents should be sent to the Companies' counsel, Cheryl M. Kimball, Esq., Keegan Werlin LLP, 265 Franklin Street, Boston, MA 02110; and one (1) copy of these documents should be sent to Joseph W. Rogers, Assistant Attorney General, Office of Ratepayer Advocacy, One Ashburton Place, Boston, MA 02108.

Further, in addition to paper filings with the Department, all documents should 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 and the Hearing Officer, Marc.Tassone@state.ma.us; or (2) on CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 15-155); (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 (insert docket number 15-155) at: <http://web1.env.state.ma.us/DPU/FileRoom/Dockets/DocketbyNumber>

A copy of the Companies' filing is available for inspection during regular business hours at the following locations: Brockton Public Library, Main Library, 304 Main Street, Brockton, MA 02301; Nantucket Atheneum, 1 India St, Nantucket, MA 02554; Worcester Public Library,

3 Salem Street, Worcester, MA 01608; Mason Public Library, 231 Main Street, Great Barrington, MA 01230; Lawrence Public Library, 51 Lawrence Street, Lawrence, MA 01841; the Companies' offices, 40 Sylvan Road, Waltham, MA 02451; and the Department's offices, One South Station, 5th Floor, Boston, MA 02110. The filing also is available on the Department's website, as provided above. Any person desiring further information regarding the Companies' filing should contact the Companies' counsel, Cheryl M. Kimball, Esq. at (617) 951-1400.

A copy of the Attorney General's notice of retention of experts and consultants is available for inspection at the locations above and during regular business hours at the Attorney General's offices, One Ashburton Place, Boston, MA 02110, and at the Department's offices, One South Station, 5th Floor, Boston, MA 02110. The Attorney General's notice of retention of experts and consultants also is available on the Department's website, as provided above. Any person desiring further information regarding the Attorney General's notice of retention of experts and consultants should contact Joseph W. Rogers, Assistant Attorney General, at (617) 727-2200.

Any person desiring further information regarding this notice should contact Marc J. Tassone, Hearing Officer, Department of Public Utilities, at (617) 305-3500.