



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 22-41

September 26, 2022

Investigation by the Department of Public Utilities into Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid's 2018-2021 Grid Modernization Plan and Final Prudence Review of the Associated Costs.

On April 1, 2022, Massachusetts Electric Company and Nantucket Electric Company ("National Grid" or "Company") submitted its Grid Modernization Term Report ("Term Report") with the Department of Public Utilities ("Department"). The Term Report documents the Company's performance in implementing its grid modernization plan during the grid modernization plan investment term (i.e., calendar years 2018 through 2021). The Company submitted the filing pursuant to its grid modernization factor ("GMF") tariff, M.D.P.U. No. 1469, and the Department's directives in Grid Modernization, D.P.U. 15-120/D.P.U. 15-121/D.P.U. 15-122 (2018) ("Grid Modernization Order"); D.P.U. 15-120-D/D.P.U. 15-121-D/D.P.U. 15-122-D (2020); and Form and Content of the Grid Modernization Term Reports, D.P.U. 21-116, Hearing Officer Memorandum (February 15, 2022). The Department docketed the filing as D.P.U. 22-41.

In the Grid Modernization Order, the Department approved National Grid's first grid modernization plan, concluding that particular grid-facing investments made under the plan would make measurable progress towards meeting the Department's grid modernization objectives by reducing outages and optimizing distribution system performance, optimizing system demand, and integrating distributed energy resources. The Department established a reconciling mechanism (i.e., the GMF) for the Company to recover eligible grid modernization plan expenses and required the Company to submit annual rate adjustment and reconciliation filings for Department review and approval. Upon completion of the grid modernization plan term, the Department directed National Grid to submit a Term Report to enable the Department to review the Company's implementation of its first grid modernization plan, including the final prudence review of grid modernization plan investments made during the 2018-2021 term, at the conclusion of the investment term.

In accordance with the Department's directives, National Grid submitted GMF filings for grid modernization plan investments made during calendar years 2018 through 2021. The Department docketed these GMF filings respectively as Massachusetts Electric Company and

Nantucket Electric Company, D.P.U. 19-36; Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 20-31; Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 21-32; and Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 22-23. Further, the Department approved subject to further investigation and review in those proceedings specific GMFs to be charged to the Company's customers, which permitted National Grid to begin recovery of eligible grid modernization investment costs. For administrative efficiency, on February 15, 2022, the Department consolidated its adjudication of D.P.U. 19-36, D.P.U. 20-31, and D.P.U. 21-32 with D.P.U. 22-41. Concurrent with this Notice, the Department also consolidates its adjudication of D.P.U. 22-23 into the instant proceeding.

In the instant proceeding, the Department will investigate National Grid's implementation of its 2018-2021 Grid Modernization Plan and conduct a prudence review of the Company's 2018-2021 Grid Modernization Plan investments, including the final review of the Company's annual GMF filings for 2018 through 2021. Finally, the Department will address how to migrate grid modernization plan investments into base distribution rates and the appropriate treatment of grid modernization plan investments as it relates to incorporating these investments into base distribution rates.

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 retention of 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.

The Department will accept written comments on the Company's filings, the Department's investigation, and on the Attorney General's notice of intent to retain experts and consultants until the close of business (5:00 p.m.) on **Thursday, October 27, 2022**. Any person who otherwise desires to participate in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than the close of business (5:00 p.m.) on **Thursday, October 27, 2022**. 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. To the extent a person or entity wishes to submit comments or intervention petitions in accordance with this Notice, electronic submission, as detailed above, is sufficient.

All documents must be submitted to the Department in **.pdf format** by e-mail attachment to dpu.efiling@mass.gov and kerri.phillips@mass.gov. In addition, all

documents must be sent by e-mail attachment to the Company's attorney, Melissa G. Liazos, Esq., at melissa.liazos@nationalgrid.com. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 22-41); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic file name should identify the document but should not exceed 50 characters in length. Importantly, all large files submitted must be broken down into electronic files that do not exceed 20 MB. To the extent a member of the public is unable to send written comments by e-mail, a paper copy may be sent to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110.

All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "22-41") at: <https://eeaonline.eea.state.ma.us/DPU/Flerom/dockets/bynumber>. At this time, a paper copy of the filing will not be available for public viewing at the Company's offices or the Department. 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@mass.gov.

For further information regarding the Company's filing, please contact the Company's attorney through e-mail, as identified above, or at (781) 907-2108. For further information regarding this Notice, please contact Kerri DeYoung Phillips, Hearing Officer, Department of Public Utilities, at kerri.phillips@mass.gov.