



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 22-78

July 5, 2022

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for Approval of Deferral of Major Storm Threshold Amounts for Calendar Year 2021 Storms.

On June 17, 2022, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid” or “Company”), filed a petition with the Department of Public Utilities (“Department”) for authorization to defer to its next base rate proceeding a total of \$6.2 million in incremental storm cost threshold operations and maintenance (“O&M”) expense amounts associated with four major storm events that occurred during calendar year 2021. The Company proposes to defer recovery of this amount until its next future base distribution rate proceeding, consistent with the Department’s findings in Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 21-75 (2021), involving calendar year 2020 storm event threshold costs. The Department has docketed the instant matter as D.P.U. 22-78.

Under the terms approved by the Department in the Company’s most recent base distribution rate proceeding, Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 18-150, the following parameters apply to storm cost recovery by National Grid: (a) the threshold for determining eligibility for recovery from the Company’s Storm Contingency Fund (“Storm Fund”) is \$1.55 million of incremental O&M expense for each storm; (b) four storm threshold amounts (\$1.55 million per storm) are included in the costs recovered through base distribution rates, which was set to include a representative number of annual storm fund eligible events; (c) storms with incremental O&M expenses in excess of \$30 million are ineligible for Storm Fund recovery; and (d) carrying charges at the prime rate accrue each month on the incremental O&M Storm Fund costs incurred, from the time the Storm Fund eligible costs were incurred. Additionally, storms with incremental O&M costs exceeding \$30 million may be recovered, pending a prudence review, through the Company’s exogenous cost provision of its performance-based ratemaking plan, provided the incremental O&M cost of the single storm event exceeds \$30 million, and the combination of the storm cost and the Storm Fund balance is greater than \$75 million.

According to the Company, it experienced a total of nine (9) major storm events in 2021 (“2021 Storm Events”). The 2021 Storm Events were comprised of: eight (8) Storm

Fund-eligible events, and one (1) exogenous cost storm event that exceeded the Storm Fund cap of \$30 million in incremental O&M costs. The Company states that the Storm Events represent a deviation from the four storms included in the Company's most recent test year relied upon to establish its base distribution rates. The Company states that the determination to request deferral of \$6.2 million in total storm threshold amounts for four (4) events was based upon the nine (9) total storm events that occurred during 2021 with incremental O&M costs that each exceeded the \$1.55 million threshold, less the four (4) representative storm events already included in base distribution rates and one (1) storm event to account for annual variation.

Any person interested in commenting on the Company's filing may submit written comments to the Department no later than the close of business (5:00 p.m.) on **Friday, August 5, 2022**. Additionally, any person who desires to participate otherwise in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than 5:00 p.m. on **Tuesday, July 26, 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.

Ordinarily, all parties would follow Sections B.1 and B.4 of the Department's Standard Ground Rules (D.P.U. 15-184-A, App. 1 (March 4, 2020)). However, at this time, all filings will be submitted only in electronic format consistent with the Commission's June 15, 2021 Memorandum related to continued modified filing requirements. Until further notice, parties must retain the original paper version of the filing and the Department will later determine when the paper version must be filed with the Department Secretary.

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 attorneys, Meabh Purcell, Esq., at meabh.purcell@nationalgrid.com; Andrea G. Keefe, Esq., at andrea.keefe@nationalgrid.com; and Jessica Buno Ralston, Esq., at jralston@keeganwerlin.com. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 22-78); (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 person or entity wishes to submit comments or intervene in accordance with this Notice, electronic submission, as detailed above, is sufficient.

All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "22-78") at:

<https://eeaonline.eea.state.ma.us/DPU/Fileroom/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. The filing and all subsequent related documents, pleadings and/or filings submitted to the Department and/or issued by the Department will be available on the Department's website as referenced above as soon as is practicable. 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 attorneys, identified above. For further information regarding this Notice, please contact Kerri DeYoung Phillips, Hearing Officer, Department of Public Utilities, at kerri.phillips@mass.gov.