



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 23-59

July 5, 2023

Petition of Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid for Approval to Defer Major Storm Threshold Amounts for Calendar Year 2022 Storms.

On June 15, 2023, 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 2022. 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), and Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 22-78 (2022), involving calendar year (“CY”) 2020 and CY 2021 storm event threshold costs, respectively. The Department has docketed the instant matter as D.P.U. 23-59.

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 2022 (“2022 Storm Events”), all of which were Storm Fund-eligible events. 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 Fund-eligible events that occurred during 2022 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. The Company requests a decision by September 1, 2023.

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 **Monday, July 31, 2023**. 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 **Monday, July 24, 2023**. 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 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, 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. 23-59); (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. If 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 “23-59”) at: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>. Please note that in the interest of transparency, any comments will be posted to our website as received and without redacting personal information, such as addresses, telephone numbers, or e-mail addresses. As such, members of the public should consider the extent of information they wish to share when submitting comments. To request materials in

accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at Gabriella.Knight@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.