



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARING, PROCEDURAL CONFERENCE, AND REQUEST FOR COMMENTS

D.P.U. 21-75

July 16, 2021

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 2020.

On June 15, 2021, 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 for future recovery a total of \$13.95 million in storm cost threshold operations and expense amounts associated with nine qualifying major storm events that occurred during 2020 (“Storm Events”). The Company proposes to defer recovery of this amount until the Department’s review of the storm cost recovery filing for these Storm Events, which the Company anticipates submitting in early 2022. The Department has docketed this matter as D.P.U. 21-75.

Under the terms of National Grid’s Storm Contingency Fund (“Storm Fund”) most recently approved by the Department in the Company’s base distribution rate proceeding, D.P.U. 18-150, the following parameters apply to storm cost recovery by the Company: (a) the threshold for determining eligibility for Storm Fund recovery is \$1.55 million for each storm; (b) four storm threshold amounts are recoverable from customers through base distribution rates, which is set to include a representative number of thresholds based on past experience; (c) storms with an incremental cost in excess of \$30 million are not eligible for Storm Fund recovery; and (d) carrying charges at the prime rate accrue each month on Storm Fund costs incurred, from the time costs are incurred. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 18-150, at 399, 416-422.

According to the Company, the number of major storm events that occurred in 2020 was extraordinary, totaling 14 events, and represents a significant deviation from the number of 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 for nine events was based upon 14 total qualifying storm events that occurred during 2020 and exceeded the \$1.55 million threshold, less the four events already included in base distribution rates and one additional event, because it is reasonable to expect some variation from the representative amount already included in base distribution rates. The Company

also states that the threshold amounts for the Storm Events are currently excluded from recovery in any rate. As a result, the Company seeks to defer \$13.95 million (an amount equal to nine of the 14 threshold amounts of \$1.55 million) for consideration of recovery in a future Storm Fund recovery proceeding.

The Department formulated its current standard for reviewing requests for deferral accounting treatment in North Attleboro Gas Company, D.P.U. 93-229 (1994). If certain conditions are met, the Department has previously allowed a company to defer accounting treatment of expenses incurred prior to a test year and considered the subsequent ratemaking treatment of those expenses in the company's next base distribution rate case. D.P.U. 93-229, at 7-8. Granting a deferral would not constitute a finding that the subject expenses are reasonable or that they can be recovered from ratepayers. D.P.U. 93-229, at 4.

**Due to certain ongoing safety measures and precautions relating to in-person events as a result of the COVID-19 pandemic, the Department will conduct a virtual public hearing to receive comments on the Company's filing. The public hearing will be immediately followed by a virtual procedural conference.** The Department will conduct the hearing and procedural conference using Zoom videoconferencing on **Wednesday, August 11, 2021**, beginning at 2:00 p.m. Attendees can join by entering the link, <https://zoom.us/j/94162424982>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearings, attendees can dial in at **(301) 715-8592 (not toll free)** and then enter the **Meeting ID# 941 6242 4982**. If you anticipate providing comments via Zoom during the public hearing, please send an email by **Monday, August 9, 2021**, to [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov) with your name, email address, and mailing address. If you anticipate commenting by telephone, please leave a voicemail message by **Monday, August 9, 2021**, at (617) 305-3611 with your name, telephone number, and mailing address.

Any person interested in commenting on the Company's filing may also submit written comments to the Department no later than the close of business (5:00 p.m.) on **Wednesday, August 11, 2021**. At this time, all filings will be submitted only in electronic format consistent with the Commission's June 15, 2021 directive related to modified filing requirements. 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, until further notice, parties must retain the original paper version and the Department will later determine when the paper version must be filed with the Department Secretary.

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, August 3, 2021**. 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.

All documents must be submitted to the Department in **.pdf format** by e-mail attachment to [dpu.efiling@mass.gov](mailto:dpu.efiling@mass.gov) and [kerri.phillips@mass.gov](mailto:kerri.phillips@mass.gov). The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 21-75); (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. All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "21-75") at: <https://eeaonline.eea.state.ma.us/DPU/FileRoom/dockets/bynumber>. In addition, one copy of all written comments and petitions to intervene should be emailed to the Company's attorneys, Meabh Purcell, Esq., at [meabh.purcell@nationalgrid.com](mailto:meabh.purcell@nationalgrid.com); Andrea G. Keefe, Esq., at [andrea.keefe@nationalgrid.com](mailto:andrea.keefe@nationalgrid.com); Cheryl M. Kimball, Esq., at [ckimball@keeganwerlin.com](mailto:ckimball@keeganwerlin.com); and Jessica Buno Ralston, Esq., at [jralston@keeganwerlin.com](mailto:jralston@keeganwerlin.com).

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 the extent a person or entity wishes to submit comments or intervene in accordance with this Notice, electronic submission, as detailed above, is sufficient. 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](mailto: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](mailto:kerri.phillips@mass.gov).