



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 16-76

June 20, 2016

Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a as National Grid to revise its Basic Service Adjustment Factors.

On June 7, 2016, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, (“National Grid” or “Company”) filed a petition with the Department of Public Utilities (“Department”) to revise its Basic Service Adjustment Factors (“BSAFs”), for effect August 1, 2016. The Department has docketed this petition as D.P.U. 16-76.

In Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 16-13 (February 29, 2016), the Department approved the Company’s annual retail rate adjustment and reconciliation filing, including approval of its proposed BSAFs effective March 1, 2016 through February 28, 2017, subject to further investigation and reconciliation. Subsequently, the Company determined that it had overstated the amount to credit to customers associated with basic service costs through the BSAFs. Specifically, the Company determined that it had not included all amounts associated with Renewable Portfolio Standard (“RPS”) compliance costs in the Company’s basic service reconciliation for the period October 2014 through September 2015. The Company states that this resulted in a decrease in the over-recovery balance of basic service costs from approximately \$33.8 million to \$12.5 million. The Company states that if National Grid continues to provide this credit to customers through the currently approved BSAFs through February 28, 2017, as approved in D.P.U. 16-13, the Company would over-compensate customers by approximately \$20.4 million, thus increasing the amount to recover from customers the following year. To avoid this excess credit, the Company proposes to cease its BSAFs, effective for usage on and after August 1, 2016. The Company forecasts that shortening the term of its BSAFs to five months rather than twelve months as initially approved, will limit any over-credit to approximately \$405,471.

If the Department approves the Company’s proposal to end the credit to customers through the BSAFs, the average National Grid basic service residential customer (R-1), using 600 kWh per month would experience a monthly bill increase of \$1.20, or approximately 1.1 percent. For specific bill impacts, please contact the Company as indicated below.

Any person interested in commenting on this matter may submit written comments no later than the close of business (5:00 p.m.) on **Friday, July 15, 2016**. One (1) original and

one (1) copy of all written documents must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110. In addition, one (1) copy of all written documents must be sent to counsel for the Company, Ruchi Sisodia Shah, Esq., 40 Sylvan Road, Waltham, MA 02451.

All documents should also 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, elizabeth.lydon@state.ma.us; or (2) on a CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 16-76); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dpu>.

Copies of the filing are available for inspection during regular business hours at National Grid's offices, 40 Sylvan Road, Waltham, Massachusetts, 02451, and the offices of the Department, One South Station, 5th Floor, Boston, Massachusetts 02110. The petition is also available on the Department's website, <http://www.mass.gov/dpu>. For further information regarding the Company's petition, please contact National Grid's counsel, Ruchi Sisodia Shah, Esq., at 781-907-3753. For further information regarding this notice, please contact Elizabeth Lydon, Department of Public Utilities, at (617) 305-3500.