



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 19-81

February 4, 2020

Petition of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid requesting approval by the Department of Public Utilities of its Capital Investment Report for calendar year 2018 and CapEx Factors for effect March 1, 2020.

On July 1, 2019, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid” or “Company”) filed with the Department of Public Utilities (“Department”) a report of its capital investments for the 2018 calendar year. The Company states that the filing is made in accordance with the directives of the Department in Massachusetts Electric Company/Nantucket Electric Company, D.P.U. 15-155 (2016), and the Company’s Capital Investment Recovery Mechanism (“CIRM”), M.D.P.U. No. 1417. On January 15, 2020, National Grid submitted an initial cumulative revenue requirement, proposed Capital Expenditure Factors (“CapEx Factors”), and proposed Capital Expenditure Adjustment Factors (“CapEx Adjustment Factors”) for effect March 1, 2020. The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) has filed a notice to intervene in this matter pursuant to G.L. c. 12, § 11E(a). The Department has docketed this matter as D.P.U. 19-81.

Pursuant to M.D.P.U. No 1417, National Grid is required to make two annual filings. First, on July 1st of each year, National Grid must submit a report of its capital investments for the prior calendar year. The report is intended to provide documentation supporting the Company’s capital expenditures in the previous year and sufficient information to allow the Department to review the Company’s actual capital expenditures for the purposes of determining the Company’s cumulative revenue requirement and subsequent CapEx Factors. Second, National Grid must file its proposed CapEx Factors by January 15th of the following year, for effect March 1st of the same year.

For cost recovery purposes, National Grid reports total capital expenditures of \$249,000,000 for the 2018 calendar year, which includes gross plant additions and the cost of removal. The Company proposes to include a total of \$33,025,511 in rates, which includes a cumulative revenue requirement of \$33,645,235 a prior recovery period reconciliation balance of (\$611,172), and then to apply a 1.0 percent revenue cap. The Company states that it is deferring for later recovery a revenue requirement of \$8,552, which is the amount of the revenue requirement that exceeds the 1.0 percent revenue cap. If approved, the total

of \$33,025,511 will be recovered from National Grid's customers through the CapEx Factors and CapEx Adjustment Factors, for effect March 1, 2020.

The Company proposes the following CapEx Factors and CapEx Adjustment Factors, effective March 1, 2020, through October 31, 2020:

| Customer Class | CapEx Factor (\$/kWh) | CapEx Adjustment Factor (\$/kWh) | Total* (\$/kWh) |
|----------------|-----------------------|----------------------------------|-----------------|
| R-1/R-2 | \$0.00417 | (\$0.00007) | \$0.00410 |
| G-1 | \$0.00328 | (\$0.00005) | \$0.00323 |
| G-2 | \$0.00274 | (\$0.00004) | \$0.00270 |
| G-3 | \$0.00183 | (\$0.00003) | \$0.00180 |
| S | \$0.02087 | (\$0.00037) | \$0.02050 |

*Total = CapEx Factor + CapEx Adjustment Factor

If the Company's CapEx Factors are approved, a residential customer using 600 kilowatt hours ("kwh") per month will see a bill increase of \$2.46 or 1.5 percent.

The Department will conduct a public hearing to receive comments on the Company's petition on **February 19, 2020, at 2:00 p.m.**, at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts. Any person who desires to comment may do so at the time and place noted above or submit written comments no later than the close of business (5:00 p.m.) on **February 19, 2020**.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding no later than the close of business (5:00 p.m.) on **February 19, 2020**. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

One original and one 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 copy of all written documents should be sent to the Company's attorney, Diana Chiang, Esq., National Grid, 40 Sylvan Road, Waltham, MA 02451-1600.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by email attachment to dpu.efiling@state.ma.us and greggory.wade@mass.gov or (2) on a CD-ROM. The text of the email or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 19-81); (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>.

A copy of the petition is available for inspection Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m. at the Department's offices at One South Station, 5th Floor, Boston, Massachusetts, and through the Department's website, at <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "19-81"). To request materials in accessible formats (Braille, large print, electronic files, audio format), contact the Department's ADA Coordinator at DPUADACoordinator@state.ma.us or (617) 305-3642.

Any person desiring further information regarding the Company's filing should contact the Company's counsel, Diana Chiang, Esq. at (781) 907-3336. Any person desiring further information regarding this notice should contact Gregory C. Wade, Hearing Officer, Department of Public Utilities, at (617) 305-3605.

Reasonable accommodations at public or evidentiary hearings for people with disabilities are available upon request. Include a description of the accommodation you will need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. Contact the Department's ADA coordinator at DPUADACoordinator@state.ma.us or (617) 305-3642.