



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING, PUBLIC HEARING, AND REQUEST FOR COMMENTS

D.P.U. 23-24

May 24, 2023

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid for: (1) recovery of incremental operations and maintenance expenses associated with nine (9) qualifying storm events that occurred between February 1, 2021 through November 12, 2021; and (2) extension of the storm fund recovery factor.

On April 28, 2023, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“Company”) submitted a storm fund cost recovery filing with the Department of Public Utilities (“Department”) involving eligible storm preparation and response costs associated with eight (8) storm fund-eligible storm events (“Storm Fund Events”) that occurred between February 2021 through November 2021, and one (1) exogenous storm event (“Exogenous Event”) that occurred in October 2021 (together, “Storm Events”). On May 5, 2023, the Company submitted updated exhibits to its original filing. The Company submitted the filing pursuant to Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 18-150 (2019), and Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 15-155-A (2017). The Department has docketed this matter as D.P.U. 23-24.

The Company seeks approval to recover a total of \$103,130,378 in storm costs comprised of: (1) \$51,074,088 of incremental operations and maintenance (“O&M”) costs associated with the eight Storm Fund Events for recovery through the Company’s storm fund; and (2) \$52,056,290 of incremental O&M costs associated with the Exogenous Event for recovery through the exogenous cost provision of the Company’s performance-based rate making (“PBR”) mechanism. The amount requested for recovery excludes: (1) \$6,834,335 in storm-related capital costs; (2) \$1,347,686 in storm-related removal/other costs; (3) \$1,196,553 billed to Verizon; and (4) for the eight Storm Fund Events only, \$1.55 million in per-storm deductibles totaling \$12,400,000.

The Company states that the filing is a final accounting of the costs related to the nine Storm Events and does not affect current rates. Further, the Company states that its filing demonstrates that its incremental O&M costs proposed for recovery are storm-related, incremental, and prudently incurred, and, as established by the Department in D.P.U. 18-150 for storm fund-eligible events, the per-storm costs sought for recovery for the Storm Fund Events are greater than the applicable \$1.55 million deductible and less than \$30 million, exclusive of Verizon costs. For these reasons, the Company states that its proposed recovery of costs is appropriate and warranted.

In addition, the Company requests that the Department approve an eleven-month extension to the current storm fund recovery factor (“SFRF”), which is scheduled to expire on November 1, 2023. Current contributions to the Company’s storm fund derive from amounts recovered through the SFRF and an annual amount of \$16.0 million from base distribution rates established during the Company’s most recent base distribution rate proceeding, D.P.U. 18-150. The Department first approved the SFRF in Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 13-59, to replenish the Company’s storm fund by \$40 million annually for three years to allow the Company to recover a significant deficit in the storm fund created by major storms that occurred between February 2010 and February 2013. The Department subsequently extended the SFRF multiple times, most recently in D.P.U. 18-150, to replenish the storm fund account for additional storm fund-eligible costs and to minimize carrying costs. In D.P.U. 18-150, the Department also approved the Company’s proposal to transfer the deficit balance to be collected through the SFRF to a separate regulatory asset, and to reset the storm fund balance to zero. The regulatory asset accrues interest at the prime rate, and any residual balance is transferred to the storm fund at the end of the SFRF recovery period.

The Company requests approval to extend the SFRF to September 30, 2024, in anticipation of a proposal to be submitted in its next base distribution rate case filing addressing a further extension and proposals related to the SFRF. The Company states that if the monthly funding earned from the SFRF mirrors the previous 12 months and the prime rate remains at 8 percent, the SFRF regulatory asset will have a deficit balance of \$38.4 million at its current November 1, 2023, expiration date, which would be reduced to \$931,185 if the extension to September 30, 2024, is granted.

The Department will conduct a virtual public hearing to receive comments on the Company’s filing. The Department will conduct the hearing using Zoom videoconferencing on **Friday, June 23, 2023**, beginning at 2:00 p.m. Attendees can join by entering the link, <https://us06web.zoom.us/j/88186049924>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearings, attendees can dial in at (646) 558-8656 (**not toll free**) and then enter the **Meeting ID# 881 8604 9924**. If you anticipate providing comments via Zoom during the public hearing, please send an email by **Wednesday, June 21, 2023**, to kerri.deyoung@mass.gov with your name, email address, and mailing address. If you anticipate commenting by telephone, please leave a voicemail message by **Wednesday, June 21, 2023**, at (617) 305-3611 with your name, telephone number, and mailing address.

Alternatively, 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, June 23, 2023**. Any person who desires to participate in the evidentiary phase of this proceeding shall file a written petition for leave to intervene no later than close of business (5:00 p.m.) on **Wednesday, June 14, 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.

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a notice of intervention in this matter pursuant to G.L. c. 12, § 11E(a). Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General has filed a notice of retention of experts and consultants to assist in her investigation of the Company’s filing and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company’s rates. Any person who desires to comment on the Attorney General’s notice of intent to retain experts and consultants may submit written comments to the Department not later than the close of business (5:00 p.m.) on **Friday, June 23, 2023**.

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 should be emailed to the Company’s attorneys, Meabh Purcell, Esq., and Andrea G. Keeffe, Esq., at meabh.purcell@nationalgrid.com and andrea.keeffe@nationalgrid.com. The text of the email must specify: (1) the docket number of the proceeding (D.P.U. 23-24); (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 will be posted on the Department’s website through our online File Room as soon as practicable (enter “23-24”) 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.