



# The Commonwealth of Massachusetts

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DEPARTMENT OF PUBLIC UTILITIES 10: 32

TOWN OF LUDLOW

## SECOND NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 22-22

March 4, 2022

Petition of NSTAR Electric Company, doing business as Eversource Energy, pursuant to G.L. c. 164, § 94 and 220 CMR 5.00, for Approval of a General Increase in Base Distribution Rates for Electric Service and a Performance-Based Ratemaking Plan.

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On January 14, 2022, NSTAR Electric Company, doing business as Eversource Energy ("NSTAR Electric" or "Company"), filed a petition with the Department of Public Utilities ("Department") for an increase in electric base distribution rates. The Department has docketed this matter as D.P.U. 22-22 and has suspended the effective date of the proposed rate increase until December 1, 2022, to investigate the propriety of the Company's request. The Company represents that it will implement any change in rates beginning on January 1, 2023. The Company was last granted an increase in base distribution rates in NSTAR Electric Company/Western Massachusetts Electric Company, D.P.U. 17-05 (2017).

NSTAR Electric seeks to increase its rates to generate \$89,477,862 in additional revenues. The Company proposes to transfer costs recovered through certain reconciling mechanisms, which totaled \$58,184,827 in calendar year 2020, to base distribution rates, effective December 1, 2022. Based on this proposal, the proposed overall increase to distribution revenues is \$147,662,689, which represents a 13.2 percent increase in distribution revenue.

The Company also proposes to implement a performance-based ratemaking ("PBR") plan, which would allow NSTAR Electric to adjust its base distribution rates on an annual basis through the application of a revenue-cap formula. The Company proposes to implement the PBR plan for a term of ten years with certain conditions, including the filing of mid-term rate schedules to update the cost of service and to provide sales and capital expenditure forecasts through the end of the proposed PBR term. Within the proposed ten-year PBR plan, NSTAR Electric proposes to invest \$955.6 million to address its reliability-based electrification plans, which the Company states includes the installation of new substations, feeders, and distribution and transmission lines necessary to support customer demand over the long term. NSTAR Electric also proposes numerous individual performance metrics to gauge the Company's progress on its PBR plan commitments. As an alternative to the proposed ten-year PBR plan, NSTAR Electric proposes a PBR plan with a five-year term.

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As part of its filing, NSTAR Electric also makes proposals regarding the implementation of advanced metering infrastructure and associated cost recovery, and the review and treatment of certain grid modernization, SMART program, and solar investments. Further, NSTAR Electric proposes certain changes to its storm fund mechanism, vegetation management program, and service quality reporting. The Company also makes proposals regarding the recovery of certain property taxes and prior period pension costs. Additionally, NSTAR Electric proposes post-test year adjustments to certain expense categories and to the Company's capital structure.

NSTAR Electric's filing also includes a number of rate design proposals, including refining existing tariff definitions and rate classes in the small and medium general service categories; introducing or expanding non-demand price options for small general service customers; eliminating unique, legacy rate designs involving declining blocks or seasonal pricing; eliminating or closing certain small, optional time-of-use rate classes; and revising the allocation and design of transmission rates, the allocation factors applicable to reconciling rates, and LED streetlight pricing.

The Department also will consider proposals regarding the discontinuance of full revenue decoupling for NSTAR Electric. 2022-2024 Three-Year Energy Efficiency Plans, D.P.U. 21-120 through D.P.U. 21-129, at 230-235 & n.146 (January 31, 2022).

The foregoing is not intended to be an exhaustive list of issues set forth in NSTAR Electric's filing. Additional information regarding the foregoing proposals, and all other proposals set forth by NSTAR Electric, can be found in the Company's filing.

NSTAR Electric states that if its petition is approved as requested, customers can expect the following bill impacts:

For residential non-heating customers:

- A typical residential non-heating customer using 530 kilowatt-hours ("kWh") of electricity per month in the Company's Eastern Massachusetts service area can expect a monthly bill increase of \$7.14 (5.2 percent);
- A typical residential non-heating customer using 549 kWh of electricity per month in the Company's Western Massachusetts service area can expect a monthly bill increase of \$7.29 (5.4 percent);
- A typical residential non-heating low-income customer using 480 kWh of electricity per month in the Company's Eastern Massachusetts service area can expect a monthly bill increase of \$4.32 (5.9 percent); and

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- A typical residential non-heating low-income customer using 586 kWh of electricity per month in the Company's Western Massachusetts service area can expect a monthly bill increase of \$4.86 (5.5 percent).

For residential heating customers:

- A typical residential heating customer using 744 kWh of electricity per month in the Company's Eastern Massachusetts service area can expect a monthly bill increase of \$17.12 (9.5 percent);
- A typical residential heating customer using 805 kWh of electricity per month in the Company's Western Massachusetts service area can expect a monthly bill increase of \$18.29 (9.9 percent);
- A typical residential heating low-income customer using 843 kWh of electricity per month in the Company's Eastern Massachusetts service area can expect a monthly bill increase of \$12.16 (9.9 percent); and
- A typical residential heating low-income customer using 993 kWh of electricity per month in the Company's Western Massachusetts service area can expect a monthly bill increase of \$13.99 (10.2 percent).

For Commercial and Industrial Customers:

Commercial and industrial customers can expect bill impacts to vary depending on usage and rate class. Commercial and industrial customers should contact the Company, as indicated below, for specific bill impacts.

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 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 \$550,000 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. The Department approved the Attorney General's request on February 17, 2022. NSTAR Electric Company, D.P.U. 22-22, Order on Attorney General's Notice of Retention of Experts and Consultants (February 17, 2022).

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 Department will conduct the public hearing using Zoom videoconferencing on **May 4, 2022, beginning at 6:00 p.m.** Attendees can join

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the hearing by entering the link, <https://us06web.zoom.us/j/88186818093> from a computer, smartphone, or tablet. No prior software download is required. For ~~public~~ ~~hearings~~ ~~only~~ ~~access~~ ~~to~~ the hearings, attendees can dial in to either hearing at (646) 558-8656 or (301) 715-8592 (not toll free) and then enter the Webinar ID: 881 8681 8093. If you anticipate providing comments via Zoom during either public hearing, please send an email by **May 3, 2022**, to [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov) with your name, email address, mailing address, and hearing date.

When using the Zoom platform, you will be able to listen to the hearing and provide comments in English, Spanish, Portuguese, or Mandarin. To access interpretation services through Zoom during the hearing, click on the "Interpretation" button on the menu at the bottom of the Zoom application screen and select your language (i.e., English, Spanish, Portuguese, or Mandarin).

Alternately, 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 **May 6, 2022**. To the extent a person or entity wishes to submit comments in accordance with this Notice, electronic submission, as detailed below, is sufficient.

Any person who desires to participate in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than 5:00 p.m. on **April 8, 2022**. 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 submitted to the Department pursuant to this Notice must be submitted in **pdf format** by e-mail attachment to [dpu.efiling@mass.gov](mailto:dpu.efiling@mass.gov) and [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov). The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 22-22); (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 as soon as practicable at <https://eeaonline.eea.state.ma.us/DPU/Fileroom>. Importantly, all large files submitted must be broken down into electronic files that do not exceed 20 MB. A copy of any documents submitted to the Department also should be emailed to the Company's attorney Cheryl M. Kimball, Esq. at [ckimball@keeganwerlin.com](mailto:ckimball@keeganwerlin.com).

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)) regarding the filing of documents. However, at this time, all filings will be submitted to the Department only in

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electronic format, consistent with the Department's June 15, 2021, Memorandum addressing continued modified filing requirements. Until further notice, parties must file the original paper version of the filing and the Department will later determine when the paper version must be filed with the Department Secretary.

At this time, a paper copy of the Company's filing or the Attorney General's notice of retention of experts and consultants will not be available for public viewing at the Company's offices, the Department's offices, or at any location (e.g., public library, town hall) within the Company's service area. All documents, pleadings and filings submitted to the Department or issued by the Department related to these proceedings will be available on the Department's website at <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "22-22"). 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).

Any person desiring further information regarding the Company's filing, or a paper copy of the filing, should contact Cheryl M. Kimball at (617) 951-1400 or [ckimball@keeganwerlin.com](mailto:ckimball@keeganwerlin.com). For further information regarding this notice, please contact Marc J. Tassone, Hearing Officer, at [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov).