



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING, PUBLIC HEARINGS, AND PROCEDURAL CONFERENCE

D.P.U. 20-120

November 24, 2020

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

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On November 13, 2020, Boston Gas Company (“Boston Gas”), doing business as National Grid (“National Grid” or “Company”), filed a petition with the Department of Public Utilities (“Department”) for an increase in gas distribution rates. The Department has docketed this matter as D.P.U. 20-120 and has suspended the effective date of the proposed rate increase until October 1, 2021, to investigate the propriety of the Company’s request. The Company represents that it will implement any change in rates beginning November 1, 2021. The Company was last granted an increase in distribution rates in Boston Gas Company/Colonial Gas Company, D.P.U. 17-170 (2018).

National Grid seeks to increase its rates to generate \$220,736,830 in additional revenues. The Company proposes to transfer \$81,908,027 recovered through the Gas System Enhancement Program (“GSEP”) to base distribution rates, effective October 1, 2021. Because there is a delay in recovery through the GSEP, however, the Company proposes to not fully recover the remaining balance in the GSEP until May 1, 2022. Based on these GSEP-related proposals, the proposed overall increase to distribution revenues is \$138,828,803, which the Company states represents an 18.1 percent incremental increase in distribution revenue.

The Company also proposes to implement a performance-based ratemaking (“PBR”) mechanism that would allow National Grid to adjust its base distribution rates on an annual basis through the application of a revenue-cap formula and to put in place a set of metrics to evaluate the Company’s performance. The Company proposes to implement the PBR plan for five years with the possibility for extension. Additionally, National Grid’s filing contains four demonstration programs that the Company states are intended to further the Commonwealth’s greenhouse gas emissions goals. Additional information regarding these and all other proposals can be found in the Company’s filing.

In Boston Gas Company/Colonial Gas Company, D.P.U. 19-69 (2019), the Department approved the consolidation of Boston Gas and Colonial Gas Company (“Colonial Gas”). In the instant filing, National Grid proposes to combine the revenue requirement for the two companies, although Boston Gas and Colonial Gas will continue to maintain separate rates.

National Grid states that if its petition is approved as requested, the proposed revenue increase will have the following effects from November 1, 2021, through April 30, 2022:

For Boston Gas Customers, the Company states:

- a typical residential non-heating customer using 94 therms per year will experience an annual bill increase of \$16.55, or 6.2 percent;
- a typical residential heating customer using 871 therms per year will experience an annual bill increase of \$122.49, or nine percent; and
- Most commercial and industrial (“C&I”) customers will experience annual increases in the range of one percent to 13.4 percent, depending on their rate classification and level of therm usage.

For Former Colonial Gas Customers, the Company states:

- a typical residential non-heating customer using 76 therms per year will experience an annual bill increase of \$30.39, or 14.4 percent;
- a typical residential heating customer using 795 therms per year will experience an annual bill increase of \$106.50, or 9.5 percent; and
- C&I customers will experience annual increases in the range of 8.6 percent to 39.8 percent, depending on their rate classification and level of therm usage.

The Company states that the estimated recovery of the remaining balance in the GSEP on May 1, 2022, would reduce the bill increases customers experience after the Company’s proposed rates change on November 1, 2021, depending upon their rate classification and usage. In addition, bill impacts for C&I customers will vary depending upon their rate classification and level of usage. For specific impacts, please contact the Company as indicated below.

The Attorney General of the Commonwealth of Massachusetts (“Attorney General”) has filed a notice of intervention in this matter pursuant to G.L. c. 12, § 11E. 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 \$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.

Due to the COVID-19 state of emergency issued by Governor Baker on March 10, 2020, and certain ongoing restrictions and safety measures relating to in-person events, the Department will conduct two virtual public hearings to receive comments on the Company's petition. The Department will conduct the hearings using Zoom videoconferencing on **January 26, 2021, beginning at 6:00 p.m. and January 28, 2021, beginning at 10:00 a.m.** Attendees can join the January 26, 2021 hearing by entering the link, <https://zoom.us/j/98694278163>, from a computer, smartphone, or tablet. Attendees can join the January 28, 2021 hearing by entering the link, <https://zoom.us/j/96160228604>, from a computer, smartphone, or tablet.

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

For audio-only access to the hearings, attendees can dial in at (312) 626-6799 (not toll free) for the January 26, 2021 hearing and then enter the Webinar ID# 986 9427 8163. Attendees can dial the same number for the January 28, 2021 hearing and then enter the Webinar ID# 961 6022 8604.

If you anticipate providing comments via Zoom or via phone during the public hearings, please send an email by **January 22, 2021**, with your name, email address, and mailing address to [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov).

The Department also will accept written comments on the Company's petition. Any person interested in commenting on this matter may submit written comments no later than the close of business (5:00 p.m.) on **January 29, 2021**. At this time, all filings must be submitted only in electronic format in recognition of the difficulty that parties and the Department may have filing and receiving original copies because of the ongoing state of emergency (please see further filing instructions below).

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 **December 18, 2020**. 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.

Any person who seeks to intervene in this matter and also desires to comment on the Attorney General's notice of retention of experts and consultants must file the comments no later than the close of business (5:00 p.m.) on **December 18, 2020**.

Due to the ongoing state of emergency, the Department will conduct a virtual procedural conference in this matter on **January 7, 2021 at 2:00 p.m.** The Department will contact the parties under separate cover with instructions on how to attend the procedural conference.

All documents submitted to the Department pursuant to this Notice must be submitted in **pdf format** by e-mail attachment to [peter.ray@mass.gov](mailto:peter.ray@mass.gov) and [marc.tassone@mass.gov](mailto:marc.tassone@mass.gov). The text of the e-mail must specify: (1) the docket numbers of the proceedings (D.P.U. 20-120); (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 <http://www.mass.gov/dpu>. 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)); until further notice, however, parties must retain the original paper version and the Department will later determine when the paper version must be filed with the Department Secretary.

Due to the ongoing state of emergency, 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 "20-120"). 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).