



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING, PUBLIC HEARING, PROCEDURAL CONFERENCE, AND REQUEST FOR COMMENTS

D.P.U. 21-76

July 16, 2021

Petition of NSTAR Electric Company d/b/a Eversource Energy for Approval of Deferral of Major Storm Threshold Amounts for 2020 Storms.

On June 25, 2021, NSTAR Electric Company d/b/a Eversource Energy ("Company") filed with the Department of Public Utilities ("Department") a petition for approval to defer to the Company's storm fund the major storm threshold amount associated with six calendar year 2020 storm events, or \$7.2 million, for consideration in a future storm cost recovery proceeding. The Department docketed this matter as D.P.U. 21-76.

In the Company's last base distribution rate case, the Department established the mechanics of the Company's storm fund. A storm fund-eligible event must meet a \$1.2 million incremental operation and maintenance (O&M) cost threshold and any costs that fall below \$1.2 million are not eligible for recovery through the storm fund. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, at 548-549 (2017). Any single storm event with incremental O&M costs that exceeds \$30 million is excluded from recovery through the storm fund. D.P.U. 17-05, at 554. Additionally, the Company collects \$3.6 million annually through base distribution rates to recover a representative level of incremental O&M storm costs (based on a representative level of three storm fund eligible events per year and applying the \$1.2 million cost-per-storm threshold). D.P.U. 17-05, at 550.

In its petition, the Company states that it experienced ten major storm events in 2020 and incurred an estimated \$66.3 million in total storm response costs, inclusive of \$12 million in storm threshold amounts. According to the Company, the number of 2020 storm fund-eligible events was extraordinary and exceed the representative level of three storm events recovered in base rates. The Company further states that each of the ten storm events exceed the \$1.2 million cost-per-storm threshold. The Company requests deferral to the storm fund of the storm thresholds associated with six storm events, or \$7.2 million. The Company states that it is not requesting deferral of the seven storm fund-eligible thresholds not included in base distribution rates because the number of storm fund-eligible events is intended to be representative and expected to vary.

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The Company contends that the \$7.2 million for the six storm fund thresholds exceed the significance threshold for the Company's exogenous event provision and that the loss of \$7.2 million in incremental major storm response costs is harmful to the Company's ability to manage its operating costs. The Company asserts that it is precluded until January 1, 2023 under its performance based ratemaking plan from filing a base rate proceeding to adjust for the disparity.

The Department formulated its current standard for reviewing requests for deferral accounting treatment in North Attleboro Gas Company, D.P.U. 93-229 (1994). If certain conditions are met, the Department has previously allowed a company to defer accounting treatment of expenses incurred prior to a test year and considered the subsequent ratemaking treatment of those expenses in the company's next base distribution rate case. D.P.U. 93-229, at 7-8. Granting a deferral would not constitute a finding that the subject expenses are reasonable or that they can be recovered from ratepayers. D.P.U. 93-229, at 4.

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 public hearing will be immediately followed by a virtual procedural conference. The Department will conduct the hearing and procedural conference using Zoom videoconferencing on **Thursday, August 12, 2021**, beginning at 10:00 a.m. Attendees can join by entering the link, <https://zoom.us/j/99888629121>, 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# 998 8862 9121**. If you anticipate providing comments via Zoom during the public hearing, please send an email by **Wednesday, August 11, 2021**, to tina.chin@mass.gov with your name, email address, and mailing address. If you anticipate commenting by telephone, please leave a voicemail message by **Wednesday, August 11, 2021**, at (617) 305-3593 with your name, telephone number, and mailing address.

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 **Thursday, August 12, 2021**. At this time, all filings will be submitted only in electronic format consistent with the Commission's June 15, 2021 directive related to modified filing requirements. 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)); however, until further notice, parties must retain the original paper version and the Department will later determine when the paper version must be filed with the Department Secretary.

Any person who desires to participate otherwise in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than 5:00 p.m. on **Monday, August 2, 2021**. 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 must be submitted to the Department in **.pdf format** by e-mail attachment to dpu.efiling@mass.gov, and Tina.Chin@mass.gov. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 21-76); (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. All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "21-76") at: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>. In addition, one copy of all written comments and petitions to intervene should be emailed to the Company's attorneys, Brendan P. Vaughan, Esq. (bvaughan@keeganwerlin.com) and Kerry A. Mahoney, Esq. (kmahoney@keeganwerlin.com).

At this time, a paper copy of the filing will not be available for public viewing at the Company's offices or the Department due to certain ongoing safety measures and precautions relating to in-person events as a result of the COVID-19 pandemic. The filing and all subsequent related documents, pleadings and/or filings submitted to the Department and/or issued by the Department will be available on the Department's website as referenced above as soon as is practicable. To the extent a person or entity wishes to submit comments in accordance with this Notice, electronic submission, as detailed above, is sufficient. 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.

For further information regarding the Company's filing, please contact the Company's attorneys, identified above. For further information regarding this Notice, please contact Department of Public Utilities Hearing Officer Tina W. Chin (Tina.Chin@mass.gov).