



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 22-BSF-D4

November 18, 2022

Petition of Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid for Approval to Exclude Mystic Cost-of-Service Agreement Costs.

On November 16, 2022, Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid Basic Service (“National Grid” or “Company”) filed a petition with the Department of Public Utilities (“Department”) for approval of an alternative approach to its basic service procurements, excluding certain costs associated with the Mystic gas fired generation facilities. The Company’s proposal would impact basic service solicitations for its Industrial Customer Group for the period February 1, 2023, through April 30, 2023; the Residential and Commercial Customer Groups for the six-month period May 2023 through October 2023; and continue in future Basic Service solicitations through May 2024. The Department docketed this matter as D.P.U. 22-BSF-D4.

Pursuant to Pricing and Procurement of Default Service, D.T.E. 99-60-B (2000), Default Service Pricing and Procurement, D.T.E. 99-60-C (2000), and Default Service Procurement, D.T.E. 02-40-C (2003), the Department requires electric distribution companies to procure 100 percent of their large commercial and industrial (“C&I”) basic service load requirements on a quarterly basis and their residential and commercial customer groups through two overlapping twelve-month procurements, each for 50 percent of the load requirement. Consistent with these requirements, on November 10, 2022, the Company issued a request for proposal (“RFP”) process to solicit 100 percent of its basic service load requirements for its industrial customer group for the three-month basic service period February 1, 2023, through April 30, 2023. Additionally, the Company is requesting bids to supply 50 percent of all-requirements service for the Southeast Massachusetts (“SEMA”) load zone for the Residential and Commercial Customer Groups for the May 2023 through October 2023 period.

Basic Service suppliers are required to pay capacity payments to Mystic pursuant to a Cost of Service Agreement (“Mystic COS Agreement”) approved by the Federal Energy Regulatory Commission (“FERC”) on June 1, 2022. The Mystic COS Agreement is intended to ensure reliability for the region and all suppliers are required to purchase capacity under the agreement. The costs under the Mystic COS Agreement are not fixed, and the Company indicates that due to the significant increase in volatility and price of natural gas and liquified natural gas, certain suppliers have raised concerns about their ability to accurately estimate Mystic COS Agreement costs in their basic service bids.

Accordingly, the Company has proposed an alternative basic service procurement plan to encourage bidder participation in its pending RFP and in future Basic Service solicitations through the life of the Mystic COS Agreement, which expires in May 2024. The Company proposes to exclude from Basic Service bids the costs associated with the Mystic COS Agreement. The Company proposes to exclude these costs commencing with the current solicitation for the Company's Industrial Customer Group for the period February 1, 2023, through April 30, 2023, and the Residential and Commercial Customer Groups for the six-month period May 2023 through October 2023 and continuing in future Basic Service solicitations for the period through May 2024. The Company will include an estimate of Mystic COS Agreement costs in its Basic Service rates. Any deviations between the estimated Mystic COS Agreement costs in rates and actual costs will be reflected in the annual Basic Service reconciliation and, ultimately, recovered through the Basic Service Adjustment Factor.

The Department will accept written comments on the Company's petition. Written comments must be filed with the Department no later than close of business (5:00 p.m.) on **November 30, 2022**. To the extent a person or entity wishes to submit comments in accordance with this Notice, electronic submission, as detailed below, is sufficient.

All comments must be submitted to the Department in **.pdf format** by e-mail attachment to dpu.efiling@mass.gov and patrick.m.houghton@mass.govmailto:. All comments also must be sent to counsel for National Grid, Meabh Purcell, Esq., by email attachment to Meabh.purcell@nationalgrid.com. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 22-BSF-D4); (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.

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 electronic format, consistent with the Department's June 15, 2021 Memorandum addressing continued modified filing requirements. Until further notice, parties must retain 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 filing will not be available for public viewing at the Company's offices or the Department. The filing and other documents submitted in electronic format will be posted as soon as practicable at on the Department's website through our online File Room at: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber> (enter "22-BSF-D4"). 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.

Any person desiring further information regarding the Company's filing should contact counsel for National Grid, Meabh Purcell, Esq. at Meabh.purcell@nationalgrid.com. Any person desiring further information regarding this notice may contact Patrick Houghton, Hearing Officer, Department of Public Utilities, at patrick.m.houghton@mass.gov.