



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

August 11, 2021 2 p.m.

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

August 9, 2021

D.P.U. 21-75

July 16, 2021

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for Approval of Deferral of Major Storm Threshold Amounts for Calendar Year 2020.

On June 15, 2021, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid ("National Grid" or "Company"), filed a petition with the Department of Public Utilities ("Department") for authorization to defer for future recovery a total of \$13.95 million in storm cost threshold operations and expense amounts associated with nine qualifying major storm events that occurred during 2020 ("Storm Events"). The Company proposes to defer recovery of this amount until the Department's review of the storm cost recovery filing for these Storm Events, which the Company anticipates submitting in early 2022. The Department has docketed this matter as D.P.U. 21-75.

Under the terms of National Grid's Storm Contingency Fund ("Storm Fund") most recently approved by the Department in the Company's base distribution rate proceeding, D.P.U. 18-150, the following parameters apply to storm cost recovery by the Company: (a) the threshold for determining eligibility for Storm Fund recovery is \$1.55 million for each storm; (b) four storm threshold amounts are recoverable from customers through base distribution rates, which is set to include a representative number of thresholds based on past experience; (c) storms with an incremental cost in excess of \$30 million are not eligible for Storm Fund recovery; and (d) carrying charges at the prime rate accrue each month on Storm Fund costs incurred, from the time costs are incurred. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 18-150, at 399, 416-422.

According to the Company, the number of major storm events that occurred in 2020 was extraordinary, totaling 14 events, and represents a significant deviation from the number of storms included in the Company's most recent test year relied upon to establish its base distribution rates. The Company states that the determination to request deferral for nine events was based upon 14 total qualifying storm events that occurred during 2020 and exceeded the \$1.55 million threshold, less the four events already included in base distribution rates and one additional event, because it is reasonable to expect some variation from the representative amount already included in base distribution rates. The Company