



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

MEMORANDUM

TO: NSTAR Electric Company;
Massachusetts Electric Company and Nantucket Electric Company; and
Fitchburg Gas and Electric Light Company

FROM: Emily Luksha, Director, Rates and Revenue Requirements Division

RE: Annual Returns to Include Utility Burden Index Analysis

DATE: February 9, 2023

CC: Cecile M. Fraser, Acting Chair
Robert E. Hayden, Commissioner
Jonathan Goldberg, General Counsel
Mark D. Marini, Secretary
Nathan Forster, Office of the Attorney General, Division Chief, Energy and
Telecommunications Division

State law requires each electric company engaged in the manufacture and sale or distribution and sale of electricity in Massachusetts to submit an Annual Return to the Department of Public Utilities (“Department”) on or before March 31 of each year or such date as the Department fixes, in a form prescribed by the Department. G.L. c. 164, § 83; 220 CMR 79.00. The form of the Annual Return to be generally used by electric companies is outlined in 220 CMR 79.04.

In the recent base distribution rate proceeding for NSTAR Electric Company d/b/a Eversource Energy (“NSTAR Electric”), the Department identified a need for a deeper understanding of the impact energy costs are having on households, in part, due to lessons learned from the COVID-19 pandemic and our experience with arrearage management. NSTAR Electric Company, D.P.U. 22-22, at 472 (November 30, 2022). As a result, the Department directed NSTAR Electric to make a detailed utility burden index analysis on electricity

residential bills in the company's Annual Returns to the Department, beginning with the company's Annual Return for calendar year ("CY") 2022, requiring the company to:

- (1) establish a credible process for tracking and calculating customers' energy burdens with the intention of using this information to develop more advanced and meaningful strategies to enhance customer engagement and support;
- (2) provide a detailed household economic burden index analysis evaluating residential energy electric utility customer bills as percentages of household income by county and to provide the summary results of a detailed household burden index analysis by, at least census, block group, with the total customer bill to include net metering from solar, low-income discounts, and other factors impacting the bill; and
- (3) show the analysis by household income for the statewide median household income and 50 percent, 100 percent, and 200 percent of the Federal Poverty Guidelines, with this level of granularity intended to provide a clearer picture of specific areas of the Company's service territory with higher-than-average energy burden. D.P.U. 22-22, at 472-473.¹

The Department stated that it would issue directives to Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid ("National Grid") and Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") to include similar analyses in their CY 2022 Annual Returns.

Accordingly, through this Memorandum, the Department directs that, commencing with each company's CY 2022 Annual Return, National Grid (electric) and Unitil (electric) shall also include a detailed utility burden index analysis on electricity residential bills in the company's Annual Returns to the Department, consistent with the directives identified above.

If you have any questions regarding the directives contained in this Memorandum, please contact Emily Luksha, Director, Rates and Revenue Requirements Division, at emily.luksha@mass.gov.

¹ The Department stated that, as more homes convert to electric heat, the Department may consider requiring an analysis of energy burden between heating and non-heating customers. D.P.U. 22-22, at 473.