



# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING AND PUBLIC HEARING

D.P.U. 09-39

June 15, 2009

Petition of Massachusetts Electric Company and Nantucket Electric Company, pursuant to G. L. c. 164, § 94, and 220 C.M.R. §§ 5.00 et seq., for a General Increase in Electric Rates and Approval of a Revenue Decoupling Mechanism.

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On May 15, 2009, Massachusetts Electric Company ("MECo") and Nantucket Electric Company ("Nantucket"), together doing business as National Grid ("Company") filed a petition with the Department of Public Utilities ("Department") for a \$111,289,705 increase in rates, which represents an increase of approximately 17.5 percent over the Company's annual distribution revenues. MECo's last fully-litigated rate case was in 1995, and Nantucket's last fully-litigated rate case was in 1991. See Massachusetts Electric Company, D.P.U. 95-40 (1995); Nantucket Electric Company, D.P.U. 91-138 (1991). MECo is currently operating under the terms of a rate settlement approved by the Department in Massachusetts Electric Company, D.P.U. 99-47 (2000).

Pursuant to the Department's Order in Investigation into Rate Structures that will Promote Efficient Deployment of Demand Resources, D.P.U. 07-50-A at 28 (2008), the Company also has proposed a rate mechanism that decouples its revenues from its sales and which the Company states is intended to eliminate financial barriers that may stand in the way of pursuing aggressive energy efficiency measures. The Company is also seeking approval, among other requests, to transfer recovery for costs associated with its obligations to provide employee pension and post-retirement benefits other than pensions from distribution rates to a separate tariff that allows these costs to be reconciled each year.

The Department has docketed this matter as D.P.U. 09-39 and has suspended the effective date of the proposed rate increase until December 1, 2009, to investigate the propriety of the Company's request. Pursuant to the Company's proposed tariffs, new rates established in this proceeding will be for electricity consumed on or after January 1, 2010.

If the Company's petition is approved as requested, a typical MECo residential customer (R-1) using 500 kilowatt hours per month will experience a monthly bill increase of \$4.25, or 5.5 percent, and a typical MECo low-income customer (R-2) will experience a monthly bill increase of \$3.70, or 6.4 percent. A typical Nantucket residential customer (R-1) using 500 kilowatt hours per month could experience a monthly bill increase of \$4.25, or 4.9 percent, and a typical Nantucket low-income customer (R-2) will experience a monthly bill increase of

\$1.50, or 2.3 percent. Bill impacts for commercial and industrial customers will vary and could be as high as 5.7 percent for MECo customers and as high as 3.7 percent for Nantucket customers depending on usage. For the first time the Company is proposing inclining block rates to promote energy conservation, which results in larger percent bill increases for high usage customers. Individual customers may contact the Company as shown below for specific bill impact information.

A copy of the petition is available for inspection during regular business hours at the Company's offices at 40 Sylvan Road, Waltham, Massachusetts, and at the Department's offices, One South Station, 2nd Floor, Boston, Massachusetts. The petition is also available on the Department's website, <http://www.mass.gov/dpu>. For further information regarding the petition, please contact counsel for the Company, Attorney Steven V. Camarino, McLane, Graf, Raulerson & Middleton, P.A., 11 South Main Street, Suite 500, Concord, New Hampshire, 03301, telephone 603-230-4400.

The Department has scheduled the following public hearings to receive comment on the Company's petition:

Tuesday, July 7, 2009, 7:00 p.m.

Nantucket High School  
Mary P. Walker Auditorium  
10 Surfside Road  
Nantucket, Massachusetts

Wednesday, July 8, 2009, 6:00 p.m.

Worcester Public Library, Saxe Room  
3 Salem Square  
Worcester, Massachusetts

Thursday, July 9, 2009, 6:00 p.m.

Andover Town House  
20 Main Street  
Andover, Massachusetts

Tuesday, July 14, 2009, 7:00 p.m.

Quincy City Hall  
Quincy City Council Chambers  
1305 Hancock Street  
Quincy, Massachusetts

Wednesday, July 15, 2009, 7:00 p.m.

North Adams City Hall  
North Adams City Council Chambers  
10 Main Street  
North Adams, Massachusetts

Any person interested in commenting on this matter may appear at the public hearings or file written comments not later than the close of business (5:00 p.m.) on Thursday, July 16, 2009. Any person interested in participating in the evidentiary phase of this proceeding must file a written petition for leave to intervene or to participate in the proceeding not later than the close of business (5:00 p.m.) on Thursday, June 18, 2009. A procedural conference will be held at the Department's offices on Monday, June 22, 2009, at 2:00 p.m.

All comments or petitions to intervene or participate in the proceeding must be filed with the Department of Public Utilities, One South Station, Boston, Massachusetts, 02110, as follows: an original and eight (8) copies with Mary L. Cottrell, Secretary. In addition, one (1) copy of all comments or petitions to intervene must be sent to counsel for the Company, Steven V. Camerino, McLane, Graf, Raulerson & Middleton, 11 South Main Street, Suite 500, Concord, New Hampshire, 03301. A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 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 a waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dpu.efiling@state.ma.us](mailto:dpu.efiling@state.ma.us) and the hearing officer ([carol.pieper@state.ma.us](mailto:carol.pieper@state.ma.us)); or (2) on a 3.5" disk or CD-ROM. The text of the e-mail, disk label, or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 09-39); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. The Department strongly encourages filers to avoid submitting scanned files but will accept them for posting when an alternative version does not exist in electronic format. All documents submitted in electronic format will be posted on the Department's website: <http://www.mass.gov/dpu>. Any person desiring further information regarding this notice may contact: Carol Pieper, Hearing Officer, Department of Public Utilities, One South Station, Boston, Massachusetts, 02110, 617-305-3500.