



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 19-ASMT-01

March 5, 2019

General Assessment of the Department of Public Utilities pursuant to G.L. c. 25, § 18, for fiscal year 2019.

In accordance with G.L. c. 25, § 18, the Department of Public Utilities (“Department”) makes a general assessment against electric and gas companies under its jurisdictional control in the amount of \$13,098,935 for fiscal year 2019. Pursuant to Chapter 154 of the Acts of 2018 (“General Appropriations Act”), the Department shall assess \$10,361,871 plus associated fringe benefits costs for personnel paid from the general assessment. General Appropriations Act, Line 2100-0012. The delineation of the costs for fiscal year 2019 is shown in the following table:

<u>Category</u>	<u>Amount</u>
Payroll ¹ / 88 FTE ²	\$ 7,574,470
Fringe Benefits ³	\$ 2,642,733
Payroll Tax ⁴	\$ 132,164
Contractors	\$ 65,000
Worker's Compensation	\$ 1,696
Travel/Training	\$ 64,155
Rent/Electricity	\$ 1,593,834
Technology	\$ 517,860
Consulting Service	\$ 93,764
Auxiliary Service	\$ 44,415
Administrative Costs	\$ 306,881
Equipment	\$ 13,963
Copier Lease	\$ 48,000
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Total Assessment	\$ 13,098,935
Less: Prior Year Unexpended	\$ (\$73,571)
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Total Net Cost To Be Paid	\$ <u>13,025,364</u>

¹ Payroll includes salaries and wages for interns.

² Full-time equivalent positions.

³ Pursuant to Comptroller Memo FY 2019-03, fringe benefits are calculated at the FY 2019 rate of 34.86 percent on salaries of \$7,574,470.

⁴ Pursuant to Comptroller Memo FY 2019-03, payroll taxes are calculated at the FY 2019 rate of 1.73 percent on salaries of \$7,574,470.

As shown in the above table, after calculating the total assessment, the Department reduced the assessment amount by \$73,571 in unexpended funds from fiscal year 2018 pursuant to G.L. c. 25, § 18. The general assessment is made against electric and gas companies based on their calendar year 2017 intrastate operating revenues as reported to the Department in their respective 2017 Annual Returns as follows:⁵

⁵ To maintain consistency, the intrastate operating revenues for electric companies were taken from Federal Energy Regulatory Commission Form 1, at page 300, Line 27 (Total Electric Operating Revenues), which are filed as part of the Annual Return pursuant to 220 C.M.R. § 79.04. For gas companies, the intrastate operating revenues were taken from the Annual Return, at page 43, Lines 22 or 23 (Total Gas Operating Revenues), except for Bay State Gas Company, which provided a certification and supporting documentation demonstrating that a portion of its Total Gas Operating Revenues were derived from non-Massachusetts sources.

<u>Company Name</u>	<u>2017 Revenues</u>	<u>General Assessment</u>
<u>Electric Companies</u>		
Fitchburg Gas and Electric Light Company (Electric Division)	\$ 62,391,565	\$ 101,019
Massachusetts Electric Company	\$2,244,089,888	\$ 3,633,428
Nantucket Electric Company	\$ 23,933,927	\$ 38,752
NSTAR Electric Company ⁶	\$3,212,996,708	\$ 5,202,193
TOTAL ELECTRIC	\$5,543,412,088	\$ 8,975,392
<u>Gas Companies</u>		
Bay State Gas Company	\$ 459,096,852	\$ 743,328
The Berkshire Gas Company	\$ 72,233,125	\$ 116,953
Blackstone Gas Company	\$ 2,630,536	\$ 4,259
Boston Gas Company	\$1,148,939,621	\$ 1,860,259
Colonial Gas Company	\$ 275,266,143	\$ 445,686
Fitchburg Gas and Electric Light Company (Gas Division)	\$ 32,157,863	\$ 52,067
Liberty Utilities (New England Natural Gas Company) Corp.	\$ 65,477,209	\$ 106,015
NSTAR Gas Company	\$ 445,555,943	\$ 721,404
TOTAL GAS	\$2,501,357,292	\$ 4,049,972
GRAND TOTALS	\$8,044,769,380	\$13,025,364

In making this assessment, the Department certifies that the general assessment is sufficient to reimburse the Commonwealth of Massachusetts for funds appropriated by the General Court for the operation and general administration of the Department, exclusive of funds appropriated by the

⁶ In NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, at 28-55 (2017), the Department approved the corporate consolidation of Western Massachusetts Electric Company with and into NSTAR Electric Company pursuant to G.L. c. 164, § 96. The legal name of Eversource's electric distribution company in Massachusetts is now NSTAR Electric Company d/b/a Eversource Energy. Because the 2017 Annual Returns were submitted prior to the corporate consolidation, the Company submitted separate Annual Returns for NSTAR Electric Company and Western Massachusetts Electric Company. Thus, the \$3,212,996,708 in 2017 operating revenues comprises: (1) 2,705,457,371 attributable to NSTAR Electric Company; and (2) \$507,539,337 attributed to Western Massachusetts Electric Company.

General Court for the Department's Transportation Oversight Division. In accordance with G.L. c. 25, § 18, each company shall pay its assessed amount to the Department within 30 days of receipt of this Order.

Accordingly, the Department

VOTES: That a general assessment of \$13,098,935 is hereby made to provide for reimbursement to the Commonwealth of Massachusetts for funds appropriated by the General Court for operating funds of the Department of Public Utilities; and it is

VOTES: That the prior year's unexpended amount be credited against the total assessment for a net assessment of \$13,025,364; and it is

VOTES: That each electric and gas company listed is hereby assessed in the amounts as indicated; and it is

ORDERED: That each electric and gas company shall pay the amount assessed against it within 30 days after receipt of this Order.

By Order of the Department,

/s/
Matthew H. Nelson, Chair

/s/
Robert E. Hayden, Commissioner

/s/
Cecile M. Fraser, Commissioner