COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Massachusetts Electric Co. and	**)**	
Nantucket Electric Co., d/b/a National Grid	**)**	
for Approval of an Increase in	**)**	**D.P.U. 18-150**
Base Distribution Rates and	**)**	
Approval of a Performance-Based	**)**	
Ratemaking Plan	**)**	

REPLY BRIEF OF THE MASSACHUSETTS ENERGY DIRECTORS ASSOCIATION

Respectfully submitted,

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On behalf of the Massachusetts Energy Directors Association (MEDA)

Dated: July 16, 2019

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY OF ARGUMENT

On November 15, 2018, Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid (collectively, "Company") petitioned the Department of Public Utilities ("Department") for an increase in base rates. In support of the request, the Company filed the testimony of its Massachusetts President, Marcy Reed, along with testimony of numerous other witnesses, comprising thirteen volumes in all. Extensive evidentiary hearings were held between late April and late May, 2019. In addition, there is an extensive written evidentiary record consisting, *inter alia,* of testimony from intervenors, responses to information and record requests, and other exhibits. Initial briefs of intevenors were filed on June 14, 2019, and the Company filed its initial brief on June 28, 2019. The Department set July 16, 2019 as the date for intervenor parties to file their reply briefs.

This filing constitutes the reply brief of the Massachusetts Energy Directors Association ("MEDA"), the association of agencies across the Commonwealth that deliver the Low Income Home Energy Assistance ("LIHEAP" or "fuel assistance") program in all of its 351 cities and towns.

MEDA's reply brief addressed three main set of issues: the need for improvements to communications between MEDA's members and the Company; the need for a generic investigation and other planning prior to any approval of the Company's Phase II Electric Vehicle ("EV") proposal; and, if the Department allows the Company to introduce elements of its Performance-Based Ratemaking ("PBR") proposal, the importance of adding metrics to evaluate energy affordability and the Company's service to low-income consumers.

First, MEDA has explained in testimony offered by Darlene Gallant and in its initial brief the challenges that MEDA's members encounter on a regular basis when using electronic communications with the Company. MEDA serves vulnerable fuel assistance clients and other low-income consumers, and has made several recommendations for improvements to communication channels with the Company. These recommendations are explained in detail in MEDA's initial brief, and the Company has agreed to make some of the suggested improvements. Although the Company has not objected to any of MEDA's recommendations, the changes have not yet been made, and MEDA asks the Department to enter appropriate orders to ensure that the recommended changes to billing and information transfer systems are implemented.

MEDA continues to urge the Department to delay approval of the Company's Phase II EV proposal until the Company engages in a planning process that includes input from low-income stakeholders in affected communities. MEDA has recommended a three-part planning process: a Company-led stakeholder engagement process in its service territory to plan infrastructure development that would serve low-income communities and households; a broader generic investigation led by the Department that would include all electric utilities and a range of stakeholders; and an ongoing low-income EV "Best Practices" group.

If the Department authorizes the Company to implement all or part of its PBR proposal, MEDA requests that the Company add two metrics to assess the Company's service to low-income customers. First, MEDA recommends a metric to measure involuntary disconnections. Second, MEDA recommends a metric to assess the Company's success in serving low-income consumers and communities with its Phase II EV program. The Company has expressed some willingness to adopt these as scorecard metrics, and MEDA agrees that the creation of scorecard metrics could help assess the needs of its low-income clients in the Company's service areas and how well these needs are being addressed.

II. THE COMPANY HAS NOT OBJECTED OR RESPONDED TO MEDA'S REQUESTS TO IMPROVE INTERACTIONS WITH FUEL AGENCIES, AND THE DEPARTMENT SHOULD THEREFORE GRANT THE RELIEF MEDA SEEKS

In § II of its Initial Brief (pp. 3 – 10), MEDA argued that "the Company must improve access of fuel assistance agencies to essential information they need to make assistance payments and otherwise help their low-income clients. In that section of the brief, MEDA addressed four different problem areas and requested the Department to enter specific orders that would solve those problems.

In its initial brief, the Company nowhere objects to the relief MEDA seeks nor in any other way responds to the arguments MEDA made in support of its requested relief. Therefore, the Department should grant the relief as requested. Below, MEDA summarizes the specific relief it seeks, with page references to its initial brief:

1. The Company Should Provide Each Fuel Assistance Agency Unique FTP Log-in Credentials to Avoid Future, Territory-Wide Lockouts (pp. 4 - 6).

As noted in its initial brief (p. 5), Company witness Damaris Dominguez gave sworn testimony on May 6 that an "IT system" resolution for the lock-out problem[1] is "in the process now" and "would probably take about a month" to implement.[2] As of July 10, two months after Ms. Dominguez testified the necessary changes would "take about a month," MEDA is not aware of those changes in fact being implemented. The Company has not in any way opposed MEDA's request in the Company's initial brief. MEDA therefore again asks the Department, as it did in its initial brief,[3] to order the Company "to either submit written [and sworn] attestation to the Department and parties that it has in fact already made those changes, or, if those changes

[1] The problem, as described in MEDA's initial brief is that in the absence of unique log-in credentials, every fuel agency in the Company's territory is locked out of accessing and transmitting key information regarding fuel assistance payments if any one agency inadvertently enters incorrect log-in information multiple times

[2] Tr. Vol. 6, p. 823; RR MEDA-1 (dated May 7, 2019).

[3] MEDA Initial Brief at 6.

have not been made as of the date of a final order, require the Company to effectuate those changes within 30 days of any final order."

2. The Company Should Be Directed to Make All Reasonable Efforts to Allow Fuel Assistance Clients to Be Placed on the Discount Rate As of November 1, When They First Apply for Fuel Assistance (pp. 6 – 8).

As MEDA's initial brief explained, the Company routinely initiates eligibility for the low-income discount rate dating from November 1 for its gas-side customers who are eligible for fuel assistance each year. Adopting this practice for low-income electricity customers would provide significant benefits to low-income households. When Company President Marcy Reed was asked whether the disparities between the gas-side and electric-side practices were "something you would commit to looking into and try to resolve," she unequivocally answered "yes." Given Ms. Reed's sworn testimony and the lack of any opposition in the Company's initial brief to MEDA's request, MEDA again requests that the Department: (a) order the Company to ensure that any . . . [future] unified billing system will allow LIHEAP customers to be placed onto the discount rate, in the first year the customer applies for LIHEAP, as of November 1", and (b) "set a date certain by which the company provides a report, with cost estimate, of what would be involved in adding that functionality to the electric billing system."

3. The Company Should Provide Fuel Assistance Agencies Easy Access to Determining Whether a Client Is on the Low-Income Discount Rate (p. 8).

MEDA witness Darlene Gallant testified that on the electric side fuel assistance agencies "cannot see whether the client is already on the discount rate" even though the agencies can do so on behalf of gas customers. As with the log-in credentials issue discussed under heading 1., above, Ms. Dominguez provided sworn testimony in early May that changes to address this problem had already been initiated. She added that the work would cost only an estimated $13,500 and would take two to three months to implement. As of July 10, 2019, MEDA was not aware that any changes had actually been made that would allow fuel agencies to see if a customer on the electric side is on the discount rate. Given the sworn testimony of Ms. Dominguez, and the lack of any opposition in the Company's brief to MEDA's request, MEDA again asks the Department to "require, in any final order, that the Company file a [sworn] attestation that the work has been completed; or, if it has not, that the work will be completed within 30 days of any final order."

4. The Company Should Allow Fuel Assistance Agencies to Access the Billing System by Providing a Customer Name and Address (pp. 9 – 10).

MEDA witness Darlene Gallant testified to the advantages fuel agencies would have when serving their low-income clients if they could access the billing system using name and address, rather than having to enter an account number or social security number. Quicker, easier access is particularly important when the fuel agencies are dealing with emergencies and are trying to assist a household member who has not brought a copy of the family's utility bill, or is not the same household member as the one whose social security number is associated with the account. The Company acknowledges that it has the technical ability to provide billing system access to fuel agencies based on name and address of the customer. Moreover, Company President Reed answered "enthusiastically so" when asked if she was "willing to commit to working with the fuel assistance agencies to give them quicker and easier access to the billing system so that they can help customers quickly."[4] Given this sworn testimony, and the lack of any opposition in the Company's initial brief, MEDA again asks the Department "to order the Company to work cooperatively with MEDA to develop a protocol for providing the fuel assistance agencies that easier access."

[4] Tr. Vol 3, p. 369.

III. THE DEPARTMENT SHOULD DEFER ITS DECISION ON THE PHASE II ELECTRIC VEHICLE PROPOSAL UNTIL THE COMPANY CONDUCTS A SUFFICIENT STAKEHOLDER ENGAGEMENT PROCESS

As MEDA and others have urged, any approval of the Company's Phase II proposal and EV infrastructure investments should be delayed until the Company conducts a broad stakeholder engagement and planning process. As the Company noted in its initial brief,[5] many parties recommend deferral of a decision at least until results of the Company's Phase I EV program are available. These parties include the Attorney General,[6] Acadia Center,[7] Power Options, the American Petroleum Institute ("API") and the Fueling Station and Convenience Store Coalition ("FSCS").[8] Acadia Center further notes that the Commonwealth of Massachusetts needs a statewide, coordinated investment plan to advance its transportation electrification goals.[9] Parties including the Attorney General, Acadia Center and FSCS agree with MEDA's request for a generic investigation into transportation electrification investment needs and priorities.[10] MEDA and other parties agree that the Company's customers and others would be best served through an integrated, evidence-based planning process.

In its initial brief, MEDA argued that a stakeholder process should precede the Department's decision whether to approve the Phase II EV proposal. MEDA also proposed a three-part stakeholder engagement process,[11] including some aspects which should precede a decision on the Phase II proposal and some that could extend further into the future:

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[5] National Grid Initial Brief at 365.
[6] Attorney General Initial Brief at 175-176, 190-191.
[7] Acadia Center Initial Brief at 18.
[8] FSCS Initial Brief at 17.
[9] Acadia Center Initial Brief at 17.
[10] National Grid Initial Brief at 370.
[11] MEDA Initial Brief at 15-19.

1. MEDA requested that the Department order the Company to conduct targeted low-income stakeholder input sessions in its service territory, in consultation with MEDA and other organizations that serve low-income communities;

2. MEDA urged the Department to open a generic investigation involving all electric utility companies and inviting stakeholders; and

3. MEDA requested the creation of an EV "Best Practices" work group to meet regularly and on an ongoing basis.

The Company has responded to MEDA's first recommendation, regarding stakeholder sessions to develop aspects of its Phase II program that would serve low-income communities, by agreeing that it has heard MEDA's concerns and will consult with Community Action Programs ("CAPs") and other low-income community organizations.[12] While the Company recognizes the need to develop programs by working with the affected communities, the Company still proposes to do so after EV investment funding is approved. The significant difference between the position of the Company and that of MEDA is that MEDA urges the Department to direct the Company to complete this process first and submit its plan to the Department for approval before the Department authorizes spending on EV infrastructure to serve disadvantaged communities.

The Company continues to oppose holding a general investigation prior to approval of its Phase II proposal.[13] While the Company asserts that this process would cause undue delay and could impede the Commonwealth's climate goals,[14] MEDA and a number of other intervenors assert that the general investigation should precede approval, that the process is a necessary step to coordinate investment in light of the extensive nature of the Company's proposal as well as

[12] National Grid Initial Brief at 392 (citing NG-RS-Rebuttal-1, Network 4-2, Network 4-14, Network 4-19).
[13] National Grid Initial Brief at 370-372.
[14] National Grid Initial Brief at 368.

other EV investment taking place in the Commonwealth, and that the resulting delay would not significantly affect the Commonwealth's climate and emission reduction goals.[15]

The Department has proposed similar investigations and has sought public comments recently in docket D.P.U. 19-71, regarding fees charged for credit card payments, and docket number D.P.U. 19-07, a general investigation into certain competitive supply market practices. The Department has invited public comment, and created working groups to focus on issues within the docket.

MEDA notes that the Department of Energy Resources (DOER) has volunteered to coordinate a stakeholder process that involves low-income community representatives

> To help facilitate stakeholder involvement with the Company in the ongoing evaluation of the Company's EV programs, DOER can organize a stakeholder process outside of the Department's adjudicatory proceedings in order to allow stakeholders to review the program results, including low income community stakeholders, and share any such lessons learned from the program, and to inform DOER's EV policy from such evaluations.[16]

If the Department declines to defer approval of the Phase II proposal until the completion of a general investigation, then the DOER proposal may be a reasonable alternative. However, a DOER-led process would not replace MEDA's request that the Company conduct a stakeholder engagement process in its service territory with low-income community members.

Finally, the Company opposes the creation of a "Best Practices" group and notes that it already conducts meetings with Eversource.[17] The Company's discussions with Eversource could take place in addition, but do not serve the same purposes as a Best Practices group. The Company's current meetings do not appear to include other electric utilities besides Eversource

[15] See, e.g., MEDA Initial Brief at 18; Acadia Center Initial Brief at 18. See also, Tr. Vol. 14, p. 1727 (testimony of Edward Burgess, stating that an investigation or planning process would not harm the state's efforts to reach its long-term climate goals).
[16] DOER Initial Brief at 13.
[17] National Grid Initial Brief at 393-394 (citing Exhs. AGO-18-10; FSCS-3-1).

and National Grid. Other stakeholders are not invited to these meetings. Further, if the utilities are discussing plans in these meetings that will have the effect of creating or implementing state transportation and climate policy, then these discussions should include the Department, other state agencies and non-governmental stakeholders. An ongoing low-income Best Practices group, in addition to any discussions that the Company chooses to conduct with other utilities, could serve these purposes.

IV. THE COMPANY SHOULD BE ORDERED TO DEVELOP A SCORECARD METRIC TO EVALUATE INVOLUNTARY DISCONNECTIONS

The Company has made clear in its rebuttal testimony and initial brief that it would be willing to work with MEDA to develop a scorecard metric to assess the rate of involuntary disconnections, as a measure of energy affordability.[18] In addition to the Company's interest, the Acadia Center also supports the creation of a scorecard metric to measure involuntary disconnections.[19]

The timeline proposed by the Company, to complete a proposed metric in time to include it in the Company's annual filing with the Department in 2020 if feasible, appears to be reasonable in light of the work that will be needed to collaborate on the creation of a metric. If the Department approves the development of a disconnections scorecard metric, MEDA will be willing to work with the Company to do so.

However, the Company has also raised the possibility of tracking the amounts of arrearages carried by low-income customers, rather than disconnections.[20] While MEDA appreciates the Company's willingness to develop a metric and to take different approaches to the affordability of service problem, any metric that tracks arrearages must also be paired with a

[18] National Grid Initial Brief at 148.
[19] Acadia Center Initial Brief at 14.
[20] National Grid Initial Brief at 148.

measure of disconnections. The Company asserts that arrearages are the underlying cause of involuntary disconnections and therefore should be considered as a metric of affordability. But arrearages and involuntary disconnections both stem from the same underlying causes: insufficiency of household income to pay for basic necessities, and affordability challenges when paying for electric utility service.[21] Arrearage levels fluctuate for a number of reasons unrelated to household income or the Company's credit and collection practices (for instance, weather and fuel prices could affect rates of arrearages). Increased involuntary disconnections could result in decreased arrearages, but in that instance the reason for decreased arrearages (the increased involuntary disconnections) would not be apparent from the scorecard metric and would only worsen the problem of energy security for low-income households. Additionally, even customers with arrearages may be protected from disconnections while those customers are experiencing certain hardships, such as having a serious illness or having a small infant in the home while also experiencing financial hardship.[22] Rates of involuntary disconnections, or arrearages, could be affected by the Company's success in identifying customers who qualify for those hardship protections, applying the protections and otherwise working effectively with payment-challenged customers to ensure they retain access to basic, necessary electricity service. Therefore, MEDA asserts that tracking rates of involuntary disconnection of service is a more appropriate and meaningful scorecard metric than measuring rates and levels of customer arrearages. If arrearages were to be tracked, that measure should only be used as a scorecard metric if paired with data that tracks involuntary disconnections.

[21] See, Howat testimony, Exh. JH-2, at 33-34.
[22] 220 CMR 25.03.

V. IF THE DEPARTMENT APPROVES OR PARTIALLY APPROVES THE PHASE II EV PROPOSAL, THE COMPANY SHOULD DEVISE A SCORECARD METRIC TO ASSESS EV SERVICES PROVIDED TO LOW-INCOME CONSUMERS

The Company also agrees that providing access to transportation electrification for low-income consumers is "an important equity issue," and would agree to work with MEDA to develop a related scorecard metric if the Department so orders.[23] Acadia Center supports the creation of this scorecard metric,[24] and the Attorney General and other intervenors have recommended modifications to better address the needs of low-income and environmental justice communities.[25] If the Department approves the Phase II EV proposal and the creation of a related low-income EV scorecard metric, MEDA is willing to work with the Company to develop a scorecard metric to evaluate the Company's success in serving low-income customers and communities.

VI. CLARIFICATION IN RESPONSE TO API'S ERRONEOUS INTERPRETATION OF JOHN HOWAT'S TESTIMONY AND MEDA'S POSITION

Additionally, MEDA responds here to a clear mischaracterization of its expert's testimony by another intervenor. In its initial brief, the API argues that EV charging infrastructure investments create a cross-subsidy from low-income ratepayers to those with higher incomes, and uses this excerpt from John Howat's testimony in support of its argument:

> Ratepayer-supported transportation electrification investment causes "disproportionate economic or financial harm to low-income households and electric utility service consumers." Testimony of John Howat on behalf of Massachusetts Energy Directors Association, Exh. MEDA-JH ("Howat Testimony") at 7.

[23] National Grid Initial Brief at 149.
[24] Acadia Center Initial Brief at 14.
[25] E.g., Attorney General Initial Brief at 185; Conservation Law Foundation Initial Brief at 5-6.

API Initial Brief at 17.

API has mischaracterized Mr. Howat's testimony, by replacing the words "does not cause" with the word "causes." Even a cursory reading of the question and a fuller excerpt from Mr. Howat's answer show that Mr. Howat was not concluding that such investments are inherently unfair, but rather was emphasizing that investments should be developed in a way that ensures equity for low-income consumers:

> Q. PLEASE IDENTIFY PRINCIPLES FOR FAIR AND EQUITABLE UTILITY INVESTMENT IN TRANSPORTATION ELECTRIFICATION.
> A. Ratepayer-supported transportation electrification investment and the transition to electric vehicles should proceed in a manner that does not cause disproportionate economic or financial harm to low-income households and electric utility service consumers. Such investment should also result in an equitable allocation of benefits to low-income utility consumers.

Howat Testimony at 7. API's apparently disingenuous use of the excerpt from Mr. Howat's testimony does not represent the position of MEDA in this case and does not reflect MEDA's long history of service to low-income consumers.

VII. CONCLUSION

MEDA respectfully requests that the Department issue an order consistent with the recommendations made above.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served or caused to be served the foregoing documents upon each party identified in the Department's service list in the above-captioned proceeding in accordance with the requirements of 220 CMR 1.05(1).

Respectfully submitted,

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DATE: July 16, 2019