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April 21, 2020

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

Re: AGO Emergency Motion - D.P.U. 19-GSEP-01 through D.P.U. 19-GSEP-06

Dear Secretary Marini:

On October 31, 2019, the Gas Companies each filed their respective Gas System Enhancement Program (“GSEP”) Plans with the Department of Public Utilities (the “Department”).<sup>1</sup> Pursuant to Chapter 149 of the Acts of 2014, codified in G.L. 164, §145 (“Section 145”), the GSEP Plans are designed to accelerate the replacement of leak-prone infrastructure on the respective distribution systems to improve the safety and reliability of the distribution systems and reduce lost and unaccounted for natural gas through a continued reduction in natural gas system leaks. Under Section 145(d), the Department is required to review the GSEPs within six months of the October 31<sup>st</sup> filing date (*i.e.*, by April 30 of the next year). Section 145(e) mandates that the Department put in place a rate factor to provide recovery of the projected revenue requirement associated with the 2020 GSEP projects beginning May 1, 2020 (*i.e.*, the Gas System Enhancement Adjustment Factor or “GSEAF”).

On April 1, 2020, the Attorney General for the Commonwealth of Massachusetts (“Attorney General” or “AGO”) filed an Emergency Motion in the above-referenced dockets requesting that, if the Department approves the Gas Companies’ GSEPs and GSEAFs for effect May 1, 2020, the Department should delay the implementation of the GSEAFs for “at least” three months until the COVID-19 pandemic is contained and the Commonwealth returns to normal business and economic activities (Motion at 1-2). On April 8, 2020, the Gas Companies filed a joint response (“Response”) to the Attorney General’s Motion in which they demonstrated that the proposed delay of the implementation of the GSEAFs will be detrimental -- not beneficial -- to the interests of customers.

Specifically, the Gas Companies addressed the following flaws with the Attorney General’s proposal: (1) its inconsistency with the requirements of Section 145 (Response at 4-7);

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<sup>1</sup> The “Gas Companies” are NSTAR Gas Company d/b/a Eversource Energy (“Eversource”), Boston Gas Company and the former Colonial Gas Company d/b/a National Grid (“National Grid”), Bay State Gas Company d/b/a Columbia Gas of Massachusetts (“CMA”), Fitchburg Gas & Electric Light Company d/b/a Unitil (“Unitil”), Liberty Utilities (New England Natural Gas Company) Corp. d/b/a Liberty Utilities (“Liberty Utilities”), and The Berkshire Gas Company (“Berkshire”).

(2) its imposition of higher bills on all customers at the start of the heating season (id. at 7-10); and (3) its detrimental impact on the financial integrity of the Gas Companies (id. at 10-11; Attachment A to Response).

On April 16, 2020, the Attorney General filed a Motion for Leave to File a Sur-Reply, along with her reply comments in response to the Gas Companies' April 8, 2020 Response ("AGO Reply"). In her reply, the Attorney General asserted that the Gas Companies mischaracterized the AGO's recommendation in the Emergency Motion and that the recommendation was only that the Department defer implementing any incremental GSEAF increases for at least three months (AGO Reply at 1). According to the Attorney General, the AGO is not recommending any suspension of the GSEAFs. Rather, the Gas Companies could simply recover a larger amount of the GSEP project costs in the later months of the project year than they do in the beginning months of the project year and/or recover any shortfalls through their GSEP Reconciliation ("GREC") filings (id. at 1-2).

The Gas Companies appreciate the clarification from the AGO. However, the proposal remains inadvisable due to the fact that it is inconsistent with Massachusetts law and has the effect of pushing off increases to a point where bills will be higher for customers than would occur on May 1. Moreover, the Gas Companies' April 8, 2020 Response did not assume that the Attorney General was requesting that the existing GSEAFs would be suspended. Rather, the Gas Companies assumed that the AGO recommendation related exclusively to the GSEAFs scheduled to go into effect on May 1, 2020. Thus, the fact remains that the Attorney General's recommendation is contrary to the provisions of Section 145 and detrimental to customers. Accordingly, the Department should deny the Emergency Motion to avoid further burdening customers during these unprecedented times.

Please contact me with any questions you may have. Thank you for your attention to this filing.

Sincerely,

  
Danielle C. Winter

Enclosures

cc: Sarah Smegal, Hearing Officer  
Carol Pieper, Hearing Officer  
Alice Davey, Hearing Officer  
Service Lists, D.P.U. 19-GSEP-01 through D.P.U. 19-GSEP-06