

geographic area, the Company serves approximately 1.2 million residential, commercial and industrial customers in approximately 80 communities, covering approximately 1,700 square miles. The customer base includes approximately 1,013,077 residential customers and 164,869 business customers.

3. The service area designated as WMA encompasses the City of Springfield and surrounding communities, extending west the New York border and north to Greenfield and the Vermont border. Within this geographic area, the Company serves approximately 209,000 residential, commercial and industrial customers in approximately 59 communities in western Massachusetts, covering approximately 1,500 square miles. The customer base includes approximately 189,507 residential customers and 18,961 business customers.

2. The Company's principal administrative and operating office is currently located at 247 Station Drive, Westwood, Massachusetts 02090.

3. The Company was last granted a general increase in distribution rates in NSTAR Electric Company, D.P.U. 17-05 (2017).

B. Rate Proposals

5. In this proceeding, the Company is submitting a request for a change in base distribution rates.

6. Based on a review of the Company's operating revenues, expenses, and capital investment through the test-year ending December 31, 2020, and known and measurable changes through the mid-point of the rate-year July 1, 2023, the Company has computed an annualized delivery revenue deficiency of \$89 million. The proposed revenue requirement is based on a total rate base of \$4.263 billion and an overall weighted cost of capital of 7.32 percent, reflecting a proposed return on equity of 10.5 percent. The total rate base reflected in the proposed revenue

requirement is the product of nearly \$2.05 billion in plant placed in service over the past five years, including contributions in aid of construction (“CIAC”), plus the cost of removal, and less accumulated depreciation, accumulated deferred income taxes occurring since the Company’s most recent distribution rate case in D.P.U. 17-05.

7. If the Company’s proposals are approved without modification, a typical residential customer consuming 530 kWh in a month would, on average, experience a total monthly bill increase of \$7.14 or approximately 5.2 percent, effective January 1, 2023. For NSTAR Electric’s commercial and industrial (“C&I”) customer classes, average monthly bill impacts would vary across rate classes with the average for the group below 10 percent, as of January 1, 2023.

8. The Company’s proposed PBR Plan includes a performance-based ratemaking mechanism (“PBRM”) that would adjust rates annually in accordance with a revenue per customer cap formula to be approved by the Department in this case. The PBRM promotes administrative efficiencies; benefits customers in terms of continuing to promote a high level of safety and service reliability; and provides strong incentives to the Company to control costs.

9. As part of the PBR plan, the Company is proposing a comprehensive set of performance metrics to focus Company performance in areas that are increasingly important to customers, the Department, policymakers, and other stakeholders. The performance metrics are designed to align with several of the Department’s policy objectives and will allow the Department and stakeholders to monitor the Company’s progress during the term of the PBR plan.

10. To support the Company’s proposed base distribution revenue increase and associated cost-recovery proposals, the Company’s filing includes the testimony and exhibits from the following witnesses:

1. The joint testimony of Craig Hallstrom, President, Regional Electric Operations for Connecticut and Massachusetts for Eversource Energy Service Company (“Eversource Service Company”), and Douglas P. Horton, Vice President, Distribution Rates and Regulatory Requirements at Eversource Service Company, providing a case overview. This testimony introduces the Company’s proposal for implementation of a comprehensive performance-based ratemaking (“PBR”) plan and related proposals;
2. The joint testimony of Dr. Mark Meitzen, Vice President with Christensen Associates; Nicholas Crowley, and the separate testimony of Dr. Lawrence Kaufmann, presenting evidence on the Company’s proposed “X factor” component of the PBR Plan and a cost-benchmarking analysis;
3. The joint testimony of Digaunto Chatterjee, Lavelle A. Freeman and Gerhard Walker discussing the large-scale, Major Station Capacity Projects that are planned for the NSTAR Electric system to meet the expected demand requirements of the Commonwealth’s electrification policy.
4. The joint testimony of Ms. Conner, Mr. Chatterjee, Catherine Finneran, Vice President, Sustainability and Environmental Affairs, and Paul Renaud, Vice President of Engineering for Eversource Service Company, presenting the Company’s proposed performance metrics for the PBR Plan;
5. The joint testimony of Robert W. Frank, Director Revenue Requirements – Massachusetts for Eversource Service Company and Ashley N. Botelho, Manager of Revenue Requirements at Eversource Service Company, presenting the Company’s revenue requirement analysis and revenue-deficiency calculation, among other proposals;
6. The testimony of Vincent V. Rea, Managing Director of Regulatory Finance Associates, LLC, presenting the Company’s proposed cost of capital;
7. The testimony of Sasha Lazor, Director, Compensation for Eversource Service Company, presenting the Company’s employee compensation programs;
8. The testimony of Michael P. Synan, Director of Benefits Strategy for Eversource Service Company, presenting the Company’s employee benefit programs;
9. The joint testimony of Leanne M. Landry, Director, Budget and Investment Planning for Eversource Service Company, and John G. Griffin, Director of Corporate Performance Management at Eversource Service Company, presenting project documentation for capital additions made since D.P.U. 17-05. This testimony also describes the capital planning and approval process in place to manage the capital expenditures for the Company;

10. The testimony of John J. Spanos, Senior Vice President at Gannett Fleming Valuation and Rate Consultants, presenting the depreciation study in support of the Company's depreciation rates;
11. The joint testimony of Penelope M. Conner, Executive Vice President, Customer Experience and Energy Strategy Eversource Energy, Mr. Horton, and Jennifer A. Schilling, Vice President of Grid Modernization for the Eversource Energy operating companies, presenting the Company's proposal to adopt a company-specific tariff to enable recovery of costs associated with the Company's implementation plan for Advanced Metering Infrastructure;
12. The testimony of William A. Van Dam, Director, Vegetation Management for Eversource Service Company, presenting the Company's proposals related to vegetation management activities undertaking for system reliability and resiliency;
13. The testimony of Bruce R. Chapman, Assistant Vice President at Christensen Associates Energy Consulting, presenting the Company's allocated cost of service study that was used as the basis of the Company's rate design; and
14. The testimony of Richard D. Chin, Manager of Rates for Eversource Service Company, presenting the Company's proposed distribution rates, rate design, including bill-impact analysis, and proposed tariffs.

11. The Company's request for a change in base distribution rates is supported by a revenue-requirement analysis calculated consistent with the Department's established ratemaking practices and incorporates certain proposals the Company put forth for the Department's consideration in this case. The revenue-requirement analysis and associated rate design is supported by a cost-of-capital analysis, depreciation study, and allocated cost of service study.

WHEREFORE, for the reasons set forth in this petition and in the testimony and exhibits of the Company's witnesses, the Company respectfully requests that the Department:

ORDER: That the Company's PBR ratemaking proposals and requests for cost recovery are approved;

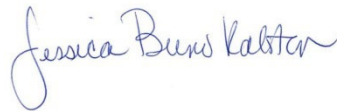
ORDER: That the proposed tariffs submitted with this petition represent just and reasonable rates and are approved; and

ORDER: Such other and further orders and approvals as may be necessary or appropriate.

Respectfully submitted,

**NSTAR ELECTRIC COMPANY d/b/a
EVERSOURCE ENERGY**

By its attorneys,



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