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May 20, 2022

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station – 5th Floor  
Boston, Massachusetts 02110

Subject: NSTAR Electric Company d/b/a Eversource Energy, Basic Service Rates,  
(EMA) D.P.U. 22-BSF-C2

Dear Secretary Marini:

NSTAR Electric Company d/b/a Eversource Energy (“Eversource” or the “Company”) hereby submits the results of its most recent solicitation for Basic Service supply for its Eastern Massachusetts service territory together with proposed Basic Service rates resulting from that solicitation. This filing is made in accordance with the provisions of G.L. c. 164, §§ 1B(d) and 94; 220 C.M.R. §§ 5.00 and 11.00 *et seq.*; Default Service Pricing and Procurement, D.T.E. 99-60-B (2000); Default Service Pricing and Procurement, 99-60-C (2000); Default Service, D.T.E. 02-40-C (2003); and NSTAR Electric, D.T.E. 06 40 (2006). The Company requests that the Department of Public Utilities (the “Department”) approve the results of this solicitation within five business days, subject to future reconciliation of costs by the Department.

Eversource requests approval of the proposed Basic Service rates described below in this letter.<sup>1</sup>

## **I. Procurement**

On April 22, 2022, the Company issued a Request for Proposals (“RFP”) for Basic Service supply for a delivery term commencing July 1, 2022. A copy of the RFP is enclosed herewith as Appendix A. Pursuant to directives of the Department, the RFP sought bids, which could vary by calendar month, to fulfill the Company’s Basic Service load requirements effective July 1, 2022, as follows:

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<sup>1</sup> In this Basic Service filing, the Company is not including its tariff Summary of Electricity Delivery Service Rates, M.D.P.U. No. 1, which is customarily provided as Appendix C to its Basic Service filings. The Company will submit a proposed summary tariff for Department approval, inclusive of the approved Basic Service rates, in its Grid Modernization Factor filing in D.P.U. 22-50.

- Residential Customers
  - ⇒ 50 percent of Basic Service requirements for the twelve-month period July 1, 2022 to June 30, 2023.
- Small Commercial and Industrial (“C&I”) Customers
  - ⇒ 50 percent of Basic Service requirements for the twelve-month period July 1, 2022 to June 30, 2023.
- Large C&I Customers
  - ⇒ 100 percent of Basic Service requirements for the three-month period July 1, 2022 to September 30, 2022.

The Company received a number of responses from bidders by the May 17, 2022 RFP deadline. The bids for all customer groups were evaluated and winning bids were chosen based on the lowest prices bid. See Appendix B, Schedule 4 **CONFIDENTIAL**.

Consistent with Department precedent, the Company implemented the following protocols in procuring its Basic Service supply for the period commencing July 1, 2022:

- the RFP solicited Default/Basic Service proposals with separate bid prices on a load-zone-specific basis (see D.T.E. 02-40-A at 13); and
- the RFP solicited Default/Basic Service proposals for large C&I customers for a three-month period only (see D.T.E. 02-40-C at 22).

In addition, the Company’s RFP contained a bid option for wholesale suppliers for residential and small C&I customers. The Company divided its delivery term for the July 1, 2022 through June 30, 2023 period into two distinct six-month delivery terms. Bidders were able to choose to bid on the second half of 2022, the first half of 2023, or both periods. Each distinct six-month period was evaluated separately, and the best bids were selected for each period independent of the other period (see Appendix A at Section VI for a description of this option).

## II. Proposed Rates

The Company has contracted for Basic Service supplies and hereby requests that the Department approve the implementation of the new Basic Service rates effective July 1, 2022. An explanation of the calculation of the Basic Service prices may be found in Appendix B. Because certain attachments and schedules in Appendix B contain specific contract and pricing terms that are proprietary and confidential, copies of Appendix B, Schedule A **CONFIDENTIAL**, Schedules 1A, 1B and 1C **CONFIDENTIAL**, Schedule 2 **CONFIDENTIAL**, and Schedule 4 **CONFIDENTIAL** are being filed only with the Hearing

Officer and the Attorney General’s Office, under separate cover. A Motion for Protective Treatment with respect to these attachments and schedules and an Affidavit of Phillip S. Higgins in support thereof are enclosed herewith.

The Company’s RFP resulted in the following rates (in cents/kWh at the retail customer level):<sup>2</sup>

**NSTAR ELECTRIC COMPANY (EMA)**

**Fixed Price Option: July 1, 2022 – December 31, 2022<sup>3</sup>**

<b>Residential</b>	17.871
<b>Small C&amp;I</b>	17.827
<b>Large C&amp;I (NEMA) (through September 2022)</b>	21.883
<b>Large C&amp;I (SEMA) (through September 2022)</b>	20.959

**Variable Price Option: July 1, 2022 – December 31, 2022**

	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>
<b>Residential</b>	17.141	16.665	15.262	14.857	18.142	24.813
<b>Small C&amp;I</b>	17.327	16.792	15.091	14.465	17.895	24.596
<b>Large C&amp;I (NEMA)</b>	22.688	22.510	20.307	N/A	N/A	N/A
<b>Large C&amp;I (SEMA)</b>	21.725	21.510	19.472	N/A	N/A	N/A

In terms of pricing, the Company believes that the result for these categories is competitive and reflective of current market conditions. The expected retail rates for Basic Service customers are based on the wholesale bids that were submitted in response to the RFP. NYMEX electric futures provide an estimate of the power component of the Basic Service winning bid prices and are available daily as monthly on-peak and off-peak prices for a fixed block of power delivered at the ISO New England (“ISO-NE”) Mass Hub.

The Company will also be providing under separate cover pursuant to the Motion for Protective Treatment the confidential monthly pricing as it relates to NYMEX electric futures, based on a request by the Department for such detail.

<sup>2</sup> The retail prices for the Company include Basic Service Adders and Renewable Portfolio Standard, Alternative Energy Portfolio Standard, Clean Energy Standard, and Clean Peak Standard Adders respectively, as described further in the Appendix B narrative.

<sup>3</sup> Prices for Large C&I customers in the NEMA and SEMA load zones for both the fixed and variable price options are for three months through September 30, 2022.

A bill impact analysis is attached to this filing letter as Appendix D. Eversource will continue to comply with the Department's order in D.T.E. 99-60-C, with respect to notifying customers of the change in Basic Service rates. Accordingly, the Company will post the new rates on its website and make them available via a toll-free telephone number.

### **III. ISO-NE Charges**

The Company's proposed Basic Service rates include all reasonably anticipated costs that will be imposed by ISO-NE on load-serving entities during the six-month period commencing July 1, 2022, as they are based on bids that include all ISO-NE market products necessary to serve the Company's Basic Service load.

### **IV. Conclusion**

The Company respectfully requests that the Department approve the implementation of the proposed Basic Service rates effective for usage commencing on July 1, 2022. If you have any questions regarding this matter, please feel free to contact me at (617) 951-1400.

Very truly yours,



Daniel P. Venora

Enclosures

cc: Andrew W. Strumfels, Esq., Hearing Officer  
Jeffrey Leupold, Esq., Hearing Officer  
Matthew Nelson, Director, Electric Power Division  
Ghebre Daniel, Assistant Director, Electric Power Division  
Emily Luksha, Director, Rates and Revenue Requirements Division  
Nathan Foster, Assistant Attorney General  
Robert Hoaglund, DOER  
Robert Rio, AIM

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

NSTAR Electric Company d/b/a Eversource Energy Basic Service Rate Filing	) ) ) ) )	D.P.U. 22-BSF-C2
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**MOTION FOR PROTECTIVE TREATMENT  
OF CONFIDENTIAL INFORMATION**

Now comes NSTAR Electric Company d/b/a Eversource Energy (the “Company”) and hereby requests that the Department of Public Utilities (the “Department”) grant protection from public disclosure of certain confidential, sensitive and proprietary information submitted in this proceeding in accordance with G.L. c. 25, § 5D.

On this date, the Company submitted the results of its solicitation for Basic Service supply and supporting documentation, including information provided in Appendix B to the filing.<sup>1</sup> Appendix B **CONFIDENTIAL** contains various cost and procurement information that is confidential, competitively sensitive and proprietary. The Company requests that certain information contained in Appendix B **CONFIDENTIAL** to the May 2022 Basic Service filing (the “Basic Service Filing”) be protected from public disclosure.

**I. STANDARD OF REVIEW**

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part that:

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<sup>1</sup> In addition to the executed Confirmation Agreements entered into by the Company pursuant to this solicitation, the following documents in Appendix B **CONFIDENTIAL** contain competitively sensitive data and should be protected from public disclosure: Schedule A; Schedules 1A, 1B and 1C; Schedule 2; and Schedule 4.

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

[T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest.

The Berkshire Gas Company et al., D.P.U. 93-187/188/189/190, at 16 (1994) as cited in Hearing Officer's Ruling On the Motion of Boston Gas Company for Confidentiality, D.P.U. 96-50, at 4 (1996).

In practice, the Department has often exercised its authority to protect sensitive market information. For example, the Department has determined specifically that competitively sensitive information, such as price terms, are subject to protective status:

The Department will continue to accord protective status when the proponent carries its burden of proof by indicating the manner in which the price term is competitively sensitive. Proponents generally will face a more difficult task of overcoming the statutory presumption against the disclosure of other terms, such as the identity of the customer.

Standard of Review for Electric Contracts, D.P.U. 96-39, at 2, Letter Order (August 30, 1996); see also Colonial Gas Company, D.P.U. 96-18, at 4 (1996) (the Department determined that price terms were protected in gas supply contracts and allowed Colonial Gas Company's request to protect pricing information including all "reservation fees or charges, demand charges, commodity charges and other pricing information").

Moreover, the Department has recognized that competitively sensitive terms in a competitive market should be protected and that such protection is desirable as a matter of public policy:

The Department recognizes that the replacement gas purchases . . . are being made in a substantially competitive market with a wide field of potential suppliers. This competitive market should allow LDC's to obtain lower gas prices for the benefit of their ratepayers. Clearly the Department should ensure that its review process does not undermine the LDC's efforts to negotiate low cost flexible supply contracts for their systems. The Department also recognizes that a policy of affording contract confidentiality may add value to contracts and provide benefits to ultimate consumers of gas, the LDC's ratepayers, and therefore may be desirable for policy reasons.

The Berkshire Gas Company et al., D.P.U 93-187/188/189/190, at 20 (1994).

## **II. THE CONTRACT AND PRICING TERMS IN APPENDIX B SHOULD BE PROTECTED FROM PUBLIC DISCLOSURE BECAUSE THEY CONTAIN COMPETITIVELY SENSITIVE BASIC SERVICE BID TERMS.**

Appendix B **CONFIDENTIAL** contains confidential, competitively sensitive and proprietary information including wholesale market prices for Basic Service offered to the Company. In addition, specific contract and pricing terms are included in Appendix B **CONFIDENTIAL**. Both the wholesale market price terms and bids received by the Company for Basic Service supply should be protected from public disclosure because they are competitively sensitive market data.

The wholesale market bids in Appendix B **CONFIDENTIAL** should be protected from public disclosure because, if disclosed to the public, the Company's ability to procure Basic Service supply on the most favorable terms for its customers may be jeopardized. Disclosure of the bid terms has the potential to cause substantial harm to the Company's customers because the Company's future ability to negotiate similar agreements with other wholesale market participants in the Massachusetts electricity market may be adversely affected if the winning

bidders bid terms are disclosed. Specifically, disclosure of the bid terms may create a circumstance where the Company would be compelled to negotiate against the bids set forth in Appendix B **CONFIDENTIAL** in virtually every subsequent Basic Service solicitation. Such an outcome would be contrary to the interests of the Company's customers in that disclosure of the bid terms would potentially impede the Company's ability to obtain similar or better bids from other suppliers in the future.

In short, price terms must remain confidential to preserve the Company's future negotiating leverage and its ability to function effectively in the wholesale electricity supply marketplace. In addition, disclosure of bid terms may dissuade wholesale suppliers, who must protect their competitive position in the national market, from marketing supplies in Massachusetts. Further, a lack of confidentiality may discourage suppliers from making concessions or agreeing to specific provisions more favorable to the buyer because public knowledge of such precedents would decrease the suppliers' bargaining leverage in other negotiations.

The Department has protected bid terms from public disclosure historically, because the public release of bid terms discloses the very types of information that the Department has previously and consistently held to be confidential. The Department has recognized that release of bid information would seriously undermine the Company's negotiating position in the wholesale competitive market, and thus, jeopardize the ability of the Company to ensure that customers are being served by the lowest cost supply option. See, e.g., Western Massachusetts Electric Company, D.T.E. 99-101, at 3 (2002), citing Boston Edison Company, D.T.E. 99-16 (1999); Western Massachusetts Electric Company, D.T.E. 99-56 (1999); see also Canal Electric Company/Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 02-34



(Tr. A at 19 (June 12, 2002)); Cambridge Electric Light Company, D.T.E. 01-94 (May 9, 2002 Approval by the Department of Amended Motion of Cambridge Electric Light Company for a Protective Order).

The Department has consistently recognized the importance of distribution companies maximizing value for customers in contexts other than Basic Service solicitations through the use of vibrant, open and competitive auctions in which the widest variety of bidders participate in the bid process. Commonwealth Electric Company, D.T.E. 03-69, at 7 (2004); Boston Edison Company, D.T.E. 03-112, at 8-9 (2004); Cambridge Electric Light Company, D.T.E. 02-76, at 8-9 (2003). This principle is critical in the context of Basic Service supply solicitations, in order to ensure that the Company can determine its lowest cost supply option based on a robust and competitive set of bids.

In addition, wholesale competitive suppliers provided bids to the Company in the context of the Basic Service Filing (and each previous Basic Service filing) pursuant to an understanding with the Company that their bids would be treated in a confidential manner. The Department's precedent on protecting competitively sensitive price terms recognizes such agreements between distribution companies and wholesale suppliers and allows such terms to be protected from public disclosure for a reasonable period of time. The Berkshire Gas Company et al., D.P.U 93-187/188/189/190, at 20 (1994). Disclosure of such competitively sensitive information could be detrimental to the Company's customers who stand to benefit from the Company's ability to minimize the price paid for Basic Service power. Therefore, because the contract terms, cost and pricing information in Appendix B **CONFIDENTIAL** is competitively sensitive, the Company requests that such information be protected from public disclosure. Consistent with Department precedent, the Company seeks protection for bid and pricing data, bid analyses and contract

terms for a period of one year. Hearing Officer Ruling on Motions for Confidential/Protective Treatment, D.P.U. 12-BSF-A, -B, -C, -D; D.P.U. 14-BSF-A, -B, -C, -D; and D.P.U. 14-BSF-A, -B, -C, -D.

**WHEREFORE**, for the reasons stated above, the Company requests that the Department grant its motion to protect from public disclosure confidential, competitively sensitive and proprietary information contained in Appendix B **CONFIDENTIAL** of its Basic Service Filing.

Respectfully submitted,

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

By its attorneys,



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Dated: May 20, 2022

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

NSTAR Electric Company d/b/a Eversource Energy Basic Service Rate Filing	) ) ) ) )	D.P.U. 22-BSF-C2
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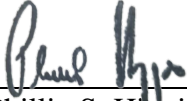
**AFFIDAVIT OF PHILLIP S. HIGGINS**

Phillip S. Higgins, being duly sworn, deposes and says as follows:

1. I am the Supervisor of Bidding and Scheduling Department for Eversource Energy Service Company, which provides electric supply services to Eversource Energy’s four electric operating companies, including Western Massachusetts Electric Company and NSTAR Electric Company (“NSTAR Electric” or the “Company”). In this capacity, I am responsible for conducting the procurement of power supplies for Basic Service for the Company.
2. I graduated from the University of Hartford with a Bachelor of Science Degree in Mechanical Engineering. I joined Northeast Utilities (“NU”) in 1981, and from 1981 to 1998 I was engaged in heat rate and flow analysis modeling on various systems at Millstone Nuclear Power Station. In 1998, I joined the newly-formed Bidding and Scheduling group within the NU Wholesale Power Contracts department (now the Energy Supply department at Eversource). In 2003, I was promoted to my current position of Supervisor, Bidding and Scheduling.
3. As Supervisor, Bidding and Scheduling, I have a number of duties within the Energy Supply department in addition to my involvement in procurement of power supplies for Basic Service for the Company. I am currently responsible for scheduling generation and load with ISO-New England in the day-ahead and real-time markets for the Company’s affiliates, The Connecticut Light and Power and Public Service Company of New Hampshire.
4. Since the implementation of electric industry restructuring in March 1998, the Company has been responsible for supplying retail customers with Standard Offer and Basic Service. On April 22, 2022, the Company issued a Request for Proposals (“RFP”) for competitive bids for Basic Service for a delivery term commencing July 1, 2022. Final binding bids were due on May 17, 2022.

5. Appendix B to the Company's May 2022 Basic Service filing includes the results of the solicitation for Basic Service supply and supporting documentation, including various supplier bids, cost and procurement information that is confidential, competitively sensitive and proprietary. The Company is requesting that the information contained in Appendix B be protected from public disclosure.
6. The cost and procurement information in Appendix B contains confidential, competitively sensitive and proprietary information including market prices for Basic Service offered to the Company, along with detailed calculations used to derive these market prices. In addition, specific contract and pricing terms are included in Appendix B.
7. This information contained in Appendix B should be protected from public disclosure to protect the Company's future negotiating position when seeking to procure Basic Service for its customers. Disclosure of such information would inhibit the ability of the Company to minimize the price paid for Basic Service by its customers in the future because wholesale suppliers of electricity maintain such information as proprietary. If bidders believe that the prices and terms of their bids will become publicly available, they will be reluctant both to submit proposals and to bid the lowest price possible.
8. Furthermore, in its RFP, the Company indicated that it would treat all bid information as confidential and in their bids, suppliers requested such confidential treatment. Suppliers require confidential treatment to provide the Company with the lowest possible price without compromising their bids to other electric companies that are also soliciting electricity for their customers.
9. Disclosure of such information could be detrimental to the Company's customers who stand to benefit from the Company's ability to minimize the price paid for Basic Service power. Based on my experience and on communications with power suppliers, if power suppliers know that the prices they bid will be publicly disclosed, they will either not bid at all or they will add a premium on to the prices bid because others will have access to the negotiated lowest bid offered by the supplier in other circumstances.

Signed under the pains and penalties of perjury as of this 20<sup>th</sup> day of May, 2022.

  
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Phillip S. Higgins

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May 20, 2022

Andrew W. Strumfels, Esq., Hearing Officer  
Department of Public Utilities  
One South Station – 5<sup>th</sup> Floor  
Boston, Massachusetts 02110

Subject: NSTAR Electric Company d/b/a Eversource Energy – Basic Service Rates –  
(EMA) D.P.U. 22-BSF-C2

## **CONFIDENTIAL MATERIAL ATTACHED**

Dear Hearing Officer Strumfels:

Please find attached the following confidential documents filed in Appendix B of the Basic Service tariff filing of NSTAR Electric Company d/b/a Eversource Energy (the “Company”), submitted on this date:

Schedule A **CONFIDENTIAL**  
Schedules 1A, 1B and 1C **CONFIDENTIAL**  
Schedule 2 **CONFIDENTIAL**  
Schedule 4 **CONFIDENTIAL**  
Confirmation Agreements **CONFIDENTIAL**

Because these documents contain specific contract, pricing and bid terms that are proprietary and confidential, copies of the document are being provided only to you and the Attorney General, under seal. The Company requests that the attached materials be protected from public disclosure pursuant to its Motion for Protective Treatment filed on this date.

Very truly yours,



Daniel P. Venora

Letter to A. Strumfels, Esq.

May 20, 2022

Page 2

## Enclosures

cc: Jeffrey Leupold, Esq., Senior Counsel  
Mark D. Marini, Secretary (transmittal letter only)  
Matthew Nelson, Director, Electric Power Division (transmittal letter only)  
Ghebre Daniel, Assistant Director, Electric Power Division (transmittal letter only)  
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