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September 21, 2022

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

Re: *Massachusetts Electric Company and Nantucket Electric Company, d/b/a/ National Grid Basic Service Filing, D.P.U. 22-BSF-D3.*

Dear Secretary Marini:

Today, Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid (“National Grid” or the “Company”) submitted its Basic Service filing for the periods November 1, 2022 through April 30, 2023 (“Winter Rates”). National Grid requests approval of the results of its solicitation within five business days of the date of its filing. National Grid’s request is a dramatic rate increase that will impact National Grid’s Basic Service customers on November 1, 2022—predicted to be 129 percent for residential customers and 146 percent for small commercial and industrial customers.

I write to request that the Department of Public Utilities (the “Department”) use its administrative discretion to extend its review of National Grid’s request for approval by five additional business days to allow for public comment. Additionally, I request that the Department consider ways to lessen the impacts of National Grid’s November 1, 2022 rate increase. Finally, the Department should investigate the basic service procurement process in general.

Experts predict that the results of National Grid’s winter basic service procurement are not an outlier. Indeed, market prices for winter electricity rates in Massachusetts, New England and throughout the nation and world are on the rise, with historically high rates already set in New Hampshire¹ and Rhode Island² for a portion or all of the winter months, respectively. Our region’s continuing over reliance on natural gas to fuel our power plants and world geopolitical forces, particularly the impact on natural gas prices from the war in Ukraine, are resulting in historically high winter electricity costs.

¹ Eversource Energy: 22.566 cents/kWh; Liberty Utilities: 22.228 cents/kWh for August 2022 through January 2023.

² Rhode Island Energy: 17.8 cents/kWh for October 2022 through March 2023.

Regardless, National Grid's Winter Rates are dramatically higher than current rates and last winter's rates and will cause customer harm here in Massachusetts. Under National Grid's proposal, Basic Service rates will jump from the current rate of 11.5 cents/kWh to 33.9 cents/kWh for residential customers on the fixed price option. Small commercial and industrial customers on Basic Service will pay 32.3 cents/kWh on a fixed rate. For further perspective on the magnitude of the increased rates, last year's winter rate for residential customers on a fixed price option was 14.8 cents/kWh. Small commercial and industrial customers paid 13.1 cents/kWh on a fixed rate.

Given such a dramatic increase in electricity prices and the ensuing impacts on personal and business finances, the Department should provide customers and consumer advocates additional time for comment beyond the traditional five days. Public comments should consider the procurement in question, the resulting rates, and potential assistance for electric customers this winter, including alternative rate treatments and funding sources.

I ask the Department to consider what efforts the Company can undertake now to assist customers in making bills more affordable. Time is of the essence to find such solutions. To that end, on September 21, 2022, the AGO convened a meeting of stakeholders—including members of the Baker/Polito Administration, representatives from each of the electric distribution companies, and consumer groups—to discuss options that could help customers with their utility bills this winter. Extending the comment period in this proceeding will allow for additional ideas from the public.

As the AGO has stated previously, the Department should address both the immediate concern with customer bills this winter and the longer-term problem of flaws and outdated provisions in the state's process for procuring basic service. To address the longer-term problem, the AGO requests that the Department either convene a stakeholder technical session to revive previous discussions in D.P.U. 15-40 or open a new investigation on the procurement of electric distribution company basic service. This investigation should explore potential reforms to basic service, including but not limited to changes to the layering and laddering of rates that Massachusetts favors (procuring fifty percent every six months) and the timing of procurements for each electric distribution company (staggered over three months or simultaneous), as the AGO suggested previously.³

Thank you for your consideration of our request. Please do not hesitate to contact me if you have questions regarding this or any other matter.

Sincerely,

/s/ Nathan Forster

Nate Forster

Chief, Energy & Telecommunications Div.

cc: Patrick Houghton, Hearing Officer

³ See D.P.U. 15-40, Comments of the Attorney General's Office, at 2 (July 27, 2015).