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February 24, 2025

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

Re: D.P.U. 24-PGAF-NSTAR(Revision2)

NSTAR Gas Company d/b/a Eversource Energy
2024-2025 Local Distribution Adjustment Clause Filing

Dear Secretary Marini:

NSTAR Gas Company d/b/a Eversource Energy (the "Company") presents for filing with the Department of Public Utilities (the "Department") a second revised Local Distribution Adjustment Factor ("LDAF") calculations and supporting materials pursuant to: (1) Standard Cost of Gas Adjustment Regulations, 220 C.M.R. 6.00 et seq.; and (2) the Company's Local Distribution Adjustment Clause ("LDAC"), Rate Schedule M.D.P.U. No.402Y. The Company seeks approval of the revised LDAFs by the Department of Public Utilities ("Department") for effect March 1, 2025.

The LDAC revision presented herein is designed to provide bill relief to customers who are experiencing a challenging combination of increased supply costs, the recovery of energy program costs and cold-winter temperatures. Eversource is mindful that customer affordability is at the core of the Department's priorities, pursuant to G.L. c. 25, § 1A, and the Department has made it clear that the Company should be using all available tools at its disposal to mitigate bill impacts for residential and residential low-income average bills for the remainder of the peak season (i.e., March and April 2025). See, Letter of the Department, "*Immediate Winter Rate Relief*," February 20, 2025.

Eversource has comprehensively considered the options for providing bill relief in these unusual circumstances. Therefore, in this filing, the Company is seeking revised rates for the Energy Efficiency Surcharge ("EES"), addressing the Department's request to provide "no less than a five-percent reduction in residential and residential low-income average bills for the remainder of the peak season (i.e., March and April 2025)." The Company's second revised LDAF provides an approximately 10 percent reduction to bills for March and April.

In Attachment 1, the Company provides the supporting calculations of changing the EES for March and April 2025, as well as the associated bill impacts for residential heating and non-heating customers in both income eligible and low-income sectors. As a result of the revision, residential heating and non-heating customers would now have a separate LDAF rate, as opposed to the one combined rate as presented in the Company's previous filings.

The revised LDAF rate proposed to be effective March 1, 2025, are projected to decrease the bill of the average Residential Heating (R-3) customer by 10.3%, or $33.75 in March 2025, and 10.1%, or $19.71 in April 2025, respectively, over the currently effective LDAF. For the average Residential Non-Heating (R-1) customers the reduction is 10.7%, or $5.49 in March 2025, and 10.0%, or $3.92 in April 2025, respectively, over the currently effective LDAF.

The Company reviewed the analysis with a five and 10-percent reduction in March and April on the average residential heating customer's total bill on the NSTAR system. For context, a five percent reduction equates to a bill reduction ranging from $7.77 to $17.50 and a 10-percent reduction equates to a bill reduction ranging from $14.99 to $33.75. In terms of the reduced collection through the LDAC, a five-percent reduction on total bill requires an estimated reduction in LDAC collections of $7.0 million and a 10-percent reduction requires reduced LDAC collections of approximately $13.5 million. The Company proposes to execute a 10-percent delay in collections (approximately), entirely through the EES.

For additional context as the Department considers options for affordability, a $10 million change to the annual energy efficiency program residential budget produces a downward bill impact for the average residential heating customer of 2.0 percent, or $7.00, for a typical January bill (when comparing January 2025 versus January 2024 rates).

On a final note, the Company is cognizant that the Department is confronting a very challenging dilemma, balancing the costs of necessary gas services and clean energy initiatives with the customer impact aggravated by cold weather and high consumption. To assist in addressing this challenge, the Company will not request any additional carrying charges other than what the Company would have otherwise collected absent this proposal for winter rate relief. In its decision, the Company evaluated the timing of collections, which did not extend past the typical rate recovery period, as well as the magnitude resulting from a two-month delay in collections.

Thank you for your attention to this matter.

Sincerely,

Steven Frias

Enclosures
cc: Mathieu Cunha, Esq., DPU Hearing Officer
Service List, D.P.U. 24-PGAF-NSTAR