



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 24-92

June 26, 2024

Petition of Boston Gas Company d/b/a National Grid for approval by the Department of Public Utilities of its Liquefied Natural Gas Investments Cost Recovery Filing, pursuant to Boston Gas Company, D.P.U. 20-120 (2021).

On June 14, 2024, Boston Gas Company d/b/a National Grid (“Company”) filed with the Department of Public Utilities (“Department”) a liquefied natural gas (“LNG”) investments cost recovery filing pursuant to Boston Gas Company, D.P.U. 20-120 (2021), in which the Department approved a performance-based ratemaking (“PBR”) plan submitted by the Company. In D.P.U. 20-120, the Department found that the Company had demonstrated the need for special ratemaking treatment to recover a level of LNG-related investments during the PBR term and, furthermore, found the Company’s proposal to recover such LNG life-cycle integrity projects-related capital investment costs through the production and storage (“P&S”) component of the gas adjustment factor (“GAF”) in its Cost of Gas Adjustment Clause Tariff, M.D.P.U. No. 59.1 (“CGAC Tariff”) to be appropriate, with certain modifications. D.P.U. 20-120, at 364-365. The Department has docketed this petition as D.P.U. 24-92.

In D.P.U. 20-120, at 366-367, the Department allowed the Company to petition the Department for an adjustment to the P&S allowance to recover the costs associated with the LNG life-cycle integrity projects only once during the five-year PBR term and found that the Company’s LNG-related capital spending would be examined as part of the Department’s review of the prudence of the investments. The Company has detailed \$132,145,697.78 in capital investment costs associated with the LNG life-cycle integrity projects from April 1, 2020 through March 31, 2024. Further detail on these LNG-related investment costs is provided in the table below.

Investments	Work Orders	Costs
LNG Specific Projects	31	\$ 112,256,058.81
Boston Gas Blanket	136	\$ 8,361,932.97
Colonial Gas Blanket	109	\$ 8,111,354.81
Carryover	8	\$ 3,416,351.19
Total:	284	\$ 132,145,697.78

The Company's proposed revenue requirement of the adjustment to the P&S allowance includes: (1) the revenue requirement based on the actual eligible LNG plant placed into service from April 1, 2020 through March 31, 2024; and (2) the revenue requirement for LNG-related operations and maintenance ("O&M") expense adjustment based on the actual PBR percentages of each year to date. In accordance with the Company's CGAC Tariff, the LNG capital-related revenue requirement includes the return and taxes on the rate base, annual depreciation expense, property tax expense, and removal costs associated with the cumulative LNG capital investment recorded as in-service since March 31, 2020. The Company calculates an LNG capital-related revenue requirement of \$17,272,956 and an LNG-related O&M adjustment of \$1,828,585, totaling \$19,101,541. If the Department approves the Company's LNG cost recovery filing, the Company will recover the total P&S adjustment during the peak periods of the remaining PBR term (*i.e.*, winter 2024-2025 and winter 2025-2026), pursuant to D.P.U. 20-120 and the Company's CGAC Tariff.

The Company requests approval of this P&S adjustment by September 30, 2024 to enable the Company to submit any necessary compliance filings and incorporate resulting revisions to its proposed peak GAFs and peaking demand charges effective November 1, 2024. The Company has submitted testimony and documentation in this docket for the Department's review.

If the Department approves the Company's petition as filed, the Company estimates that customers would experience the following total bill impacts as a result of the P&S adjustment:

- An average Boston Gas Company residential customer (R-3) using 107 therms of gas per month in the winter will experience a monthly bill increase of \$2.68 (1.1 percent).
- An average Boston Gas Company low-income residential assistance (R-4) customer using 106 therms of gas per month in the winter will experience a monthly bill increase of \$1.98 (1.1 percent).
- An average legacy Colonial Gas Company residential customer (R-3) using 107 therms of gas per month in the winter will experience a monthly bill increase of \$2.68 (1.1 percent).
- An average legacy Colonial Gas Company low-income residential assistance (R-4) customer using 106 therms of gas per month in the winter will experience a monthly bill increase of \$1.98 (1.1 percent).

The Company states that the bill impacts for all customers, including commercial and industrial customers, vary depending on rate class and usage. For specific bill impacts contact the Company as shown below.

Any person interested in commenting on this matter may submit written comments no later than the close of business (5:00 p.m.) on Wednesday, **July 10, 2024**. Please note that, in the interest of transparency, any comments will be posted to our website as received and without redacting personal information, such as addresses, telephone numbers, or email addresses. As such, consider the extent of information you wish to share when submitting comments. The Department strongly encourages public comments to be submitted by e-mail. If, however, a member of the public is unable to send written comments by e-mail, a paper copy may be sent to Mark D. Marini, Secretary, Department of Public Utilities, One South Station, Boston, Massachusetts, 02110.

Any person who otherwise desires to participate in the evidentiary phase of this proceeding shall file a petition for leave to intervene no later than the close of business (5:00 p.m.) on Monday, **July 8, 2024**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 CMR 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely unless good cause is shown for waiver under 220 CMR 1.01(4). To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. All responses to petitions to intervene must be filed by the close of business (5:00 p.m.) on the second business day after the petition to intervene was filed.

On June 24, 2024, the Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a Notice of Intervention in this matter pursuant to G.L. c. 12, § 11E(a). Further, on June 25, 2024, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a Notice of Retention of Experts and Consultants to assist her investigation of the Company’s filing and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company’s rates. Any person who desires to comment on the Attorney General’s notice of intent to retain experts and consultants may submit written comments to the Department no later than the close of business (5:00 p.m.) on Wednesday, July 3, 2024.

All documents or other documents should be submitted to the Department in **.pdf format** by e-mail attachment to dpu.efiling@mass.gov and the hearing officer, W. Jay Lee at

w.jay.lee@mass.gov. The text of the e-mail must specify: (1) the docket number of the proceeding (D.P.U. 24-92); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. All documents submitted in electronic format will be posted on the Department's website through our online File Room as soon as practicable (enter "24-92") at: <https://eeaonline.eea.state.ma.us/DPU/Fileroom/dockets/bynumber>. In addition, one copy of all written comments and petitions to intervene should be emailed to the Company's attorney, Melissa G. Liazos, Esq., at melissa.liazos@nationalgrid.com.

For further information regarding the Company's filing, please contact the Company's attorney, Melissa G. Liazos, Esq., at melissa.liazos@nationalgrid.com. For further information regarding this Notice, please contact W. Jay Lee, Hearing Officer, Department of Public Utilities, at w.jay.lee@mass.gov.