

BOARD OF SELECTMEN
Edward H. Dlott Meeting Room
AGENDA
April 2, 2018
5:00 PM

OPEN SESSION WILL BEGIN AT 7:30 PM

EXECUTIVE SESSION

Litigation

- a. Historic District Commission/42 West Central Street
- b. Conservation Commission/166 Cottage Street

Real Property

- a. Sawin House
- b. 22 Pleasant Street

Collective Bargaining: Police Patrolmen

Negotiations with Nonunion Personnel: Approve Town
Administrator Contract

Approve Executive Session Meeting Minutes

ANNOUNCEMENTS

- 1. Marion Street Bridge Closure
- 2. West Natick MBTA Station Parking

ASK THE TOWN

CITIZEN'S CONCERNS

APPOINTMENTS

- 3. Procurement Officer: Award Contract for Camp Arrowhead Construction
- 4. Collector/Treasurer: Approve/Authorize the Sale of the Bond Anticipation Note for Land Acquisition (Saxonville Branch Line) and Sign Associated Closing Loan Documents
- 5. Sustainability Coordinator
 - a. Aggregation
 - b. Solar and Other Energy Efficient Projects Update
 - c. Discounted Rain Barrel Program

DISCUSSION AND DECISION

- 6. Affordable Housing Trust and Community Development Advisory Committee

- a. Amend charges to AHTF and CDAC
- b. Appoint Patti Sciarra as the Planning Board Designee to the AHTF (term expiring 6/30/2020) and CDAD (term expiring 6/30/2021)

COMMITTEE/PROJECT UPDATES

- 7. Camp Arrowhead (This topic will be discussed prior to topic #3 [award of contract] near the beginning of the meeting)
 - a. Residential Program Update
 - b. Construction Update
- 8. Process and Timeline for South Main Street Decision at April 17, 2018 Selectmen's Meeting

CONSENT AGENDA

- 9. Charles River Rotary Club-6th Annual Scoopapalooza Ice Cream Festival-6/23/18 (Rain Date: 6/24/18)
 - a. Approve use of Town Common
 - b. Reserve parking/bag meters on west side of Park Street
 - c. Approve banner from 6/18-6/24/18
- 10. Approve Parade Permit: St. Mark's Church First Annual 5K-9/15/18 (Rain Date: 9/22/18)
- 11. Approve Parade Permit: Little League Opening Day-4/28/18
- 12. Approve Use of Town Common: Race Amity Day-6/10/18
Approve contingent upon approval by Rec & Parks Commission
- 13. Approve Parade Permit: Carry the Fallen Ruck March-4/28/18
- 14. Approve Request to Accept Donation from Lee Payton to Police Department for Rape Aggression Defense System (RADS) Class
- 15. Weekly Warrant Reviews: 3/23/18 & 3/29/18
- 16. Approve Meeting Minutes

SELECTMEN SUBCOMMITTEE/LIAISON UPDATES

TOWN ADMINISTRATOR NOTES

SELECTMEN'S CONCERNS

CORRESPONDENCE

Correspondence 4/2/18

ITEM TITLE: Marion Street Bridge Closure

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Notice of Bridge Closure	3/29/2018	Cover Memo



MARION STREET BRIDGE CLOSURE

Per MassDOT

The bridge will be closed to through traffic from

7:00 AM to 4:00 PM each weekday

**NO VEHICULAR TRAFFIC WILL BE ALLOWED OVER THE
BRIDGE BETWEEN 7:00 AM to 4:00 PM**

**The Bridge will be re-opened to vehicular traffic after
4:00 PM following each work day.**

**Pedestrian access will be maintained
throughout the project at all times.**

Work begins on April 2, 2018 and will continue until the
bridge work is complete.

This work is anticipated to take 3 - 4 months.

Please call MassDOT

with questions or concerns

857-368-4636 or toll free at 877-623-6846

ITEM TITLE: West Natick MBTA Station Parking
ITEM SUMMARY:

ITEM TITLE: Procurement Officer: Award Contract for Camp Arrowhead Construction

ITEM SUMMARY:

ITEM TITLE: Collector/Treasurer: Approve/Authorize the Sale of the Bond Anticipation Note for Land Acquisition (Saxonville Branch Line) and Sign Associated Closing Loan Documents

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Bond Anticipation Note	3/30/2018	Cover Memo
Vote of the Board of Selectmen	3/30/2018	Cover Memo



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March 29, 2018

BY OVERNIGHT DELIVERY

Stephen Price, Treasurer
Town of Natick
13 East Central Street
Natick, Massachusetts 01760

Re: \$2,960,000 General Obligation Bond Anticipation Notes (the "Note")
Dated and Closing: April 18, 2018

Dear Steve:

Enclosed is the Note and related closing documents for the above-referenced issue. The Note and closing documents are to be executed as follows:

1. Note – to be signed by you as the Treasurer and by the Board of Selectmen (the "Selectmen") and to be sealed with the Town seal.
2. Vote of the Board of Selectmen – to be passed at the April 2, 2018 meeting of the Selectmen and signed by the Clerk of the Board of Selectmen.
3. Signature, No Litigation and Official Statement Certificate with respect to the Note – to be signed by you as the Treasurer, by the Selectmen and by the Town Clerk and sealed with the Town seal.
4. Tax Certificate – to be signed by you as the Treasurer and by the Selectmen. Prior to execution, such signatories should read this document carefully to confirm that the facts stated therein are correct. If any of those facts are incorrect, or if any of the statements made are unclear, please telephone me at once to discuss any changes that may need to be made. Please Note that this document will be reviewed by one of our tax partners prior to the closing and such partner may suggest certain changes be made to the document. In the event that material changes are made, we will send you copies of any such changes.
5. IRS Form 8038G – to be signed by you as the Treasurer. We will take care of filing one on behalf of the Town with the IRS.

Stephen Price, Treasurer
March 29, 2018
Page 2

6. Significant Events Disclosure Certificate – to be signed by you as the Treasurer and by the Selectmen.

Once executed, these documents should be returned to your financial advisor at First Southwest Company, LLC by overnight delivery or as otherwise arranged with your financial advisor. For further information on returning the documents please contact Abby Jeffers.

If you should have any questions, please do not hesitate to contact me.

Very truly yours,



Chelsea A. Tryder

Enclosures

cc: Hilltop Securities

AM 68382726.2

VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Natick, Massachusetts, certify that at a meeting of the board held April 2, 2018, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: to approve the sale of a \$2,960,000 2.50 percent General Obligation Bond Anticipation Note (the "Notes") of the Town dated March 23, 2018, and payable December 7, 2018, to Eastern Bank at par and accrued interest plus a premium of \$14,611.20.

Further Voted: that in connection with the marketing and sale of the Notes, the preparation and distribution of a Notice of Sale and Preliminary Official Statement dated March 23, 2018, and a final Official Statement dated March 28, 2018, each in such form as may be approved by the Town Treasurer, be and hereby are ratified, confirmed, approved and adopted.

Further Voted: that the Town Treasurer and the Board of Selectmen be, and hereby are, authorized to execute and deliver a significant events disclosure undertaking in compliance with SEC Rule 15c2-12 in such form as may be approved by bond counsel to the Town, which undertaking shall be incorporated by reference in the Notes for the benefit of the holders of the Notes from time to time.

Further Voted: that we authorize and direct the Treasurer to establish post issuance federal tax compliance procedures in such form as the Treasurer and bond counsel deem sufficient, or if such procedures are currently in place, to review and update said procedures, in order to monitor and maintain the tax-exempt status of the Notes.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building that the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Notes were taken in executive session, all in accordance with G.L. c.30A, §§18-25 as amended.

Dated: April 2, 2018

Clerk of the Board of Selectmen

AM 68350330.3

ITEM TITLE: Sustainability Coordinator

ITEM SUMMARY: a. Aggregation
b. Solar and Other Energy Efficient Projects Update
c. Discounted Rain Barrel Program

ATTACHMENTS:

Description	Upload Date	Type
Memo RE Aggregation-Bay State Consultants	3/29/2018	Cover Memo
Energy Efficiency Update Memo-J. Wilson Martin	3/29/2018	Cover Memo
Eversource Rate Case Update-J. Wilson Martin	3/29/2018	Cover Memo
Eversource Rate Case Decision	3/29/2018	Cover Memo
Discounted Rain Barrels - Press Release	3/29/2018	Cover Memo
Rain Barrels - Photo #1	3/29/2018	Cover Memo
Rain Barrels - Photo #2	3/29/2018	Cover Memo



Memo

To: Bill Chenard, Jillian Wilson-Martin, Natick
From: John Shortsleeve, Susan Shortsleeve, Kim Pare, Joe Shortsleeve
CC: Paul Gromer, Marlana Patton
Re: Energy Pricing Trends and Aggregation Procurement Strategy
Date: March 1, 2018

This memo is intended to provide some useful perspective about the most recent trends in the energy markets as we prepare for the spring 2018 electricity procurement season. A discussion of the aggregation procurement strategy and timeline follows.

Energy Trends

The charts and graphs below depict two principal forces driving recent trends in electric prices: natural gas prices and regulatory costs, in particular the regulatory cost of capacity.

Natural Gas Prices

More than 50% of the New England electric generating plants are fired by natural gas. Because of the way those gas-fired plants are dispatched and the way ISO-NE establishes hourly electric prices, the natural gas-fired electric plants are used to set the hourly price of electricity more than 90% of the time.

Tables 1 and 2 show the recent trends in the forward wholesale prices for both electric and natural gas for 2019, 2020, and 2021.

Table 1: Forward Wholesale Gas Prices
(New England Delivered Wholesale Calendar Year Strip Prices)

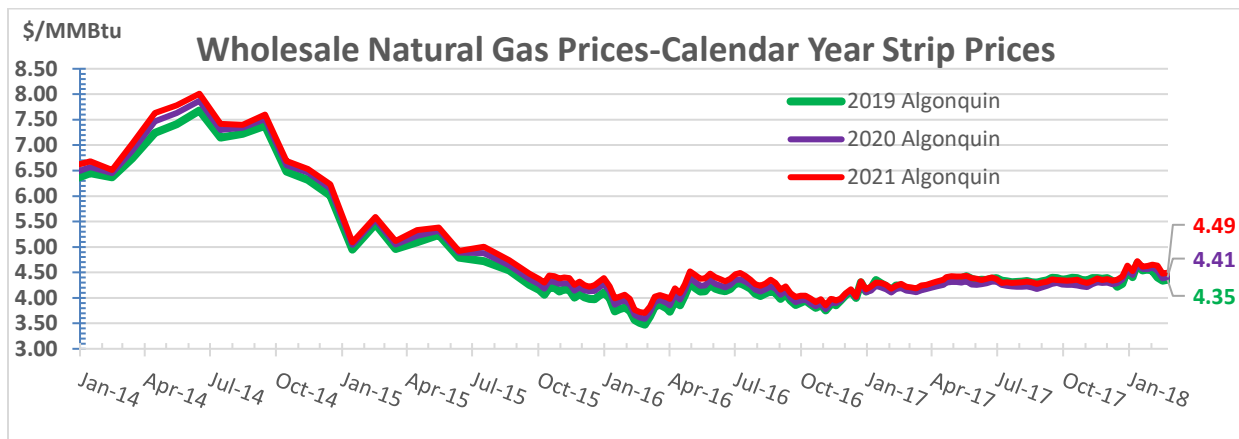
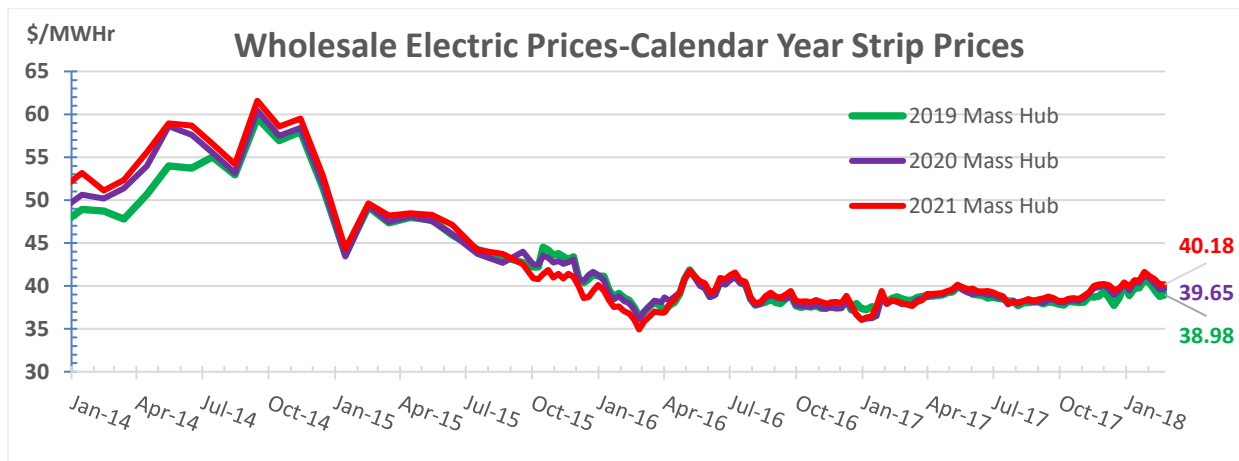


Table 2: Forward Wholesale Electric Prices
(Regional Hub Wholesale Calendar Year Strip Prices)



Note the correlation between the forward wholesale gas prices (Table 1) and forward wholesale electric prices (Table 2). Also note the relatively flat and stable natural gas prices and *wholesale* electric prices for the last two years.

Increasing Capacity Costs

Capacity prices are set by annual ISO-administered auctions, three years ahead of time. The following table shows the unit cost of capacity in the Northeast Massachusetts zone (NEMA) and Southeast Massachusetts zone (SEMA) Eversource Basic Service rates reflect the capacity cost in both zones. Natick market rates reflect the capacity cost in the NEMA zone only.

Table 3: Capacity Costs
Auction price
Unit cost per kW

Period: 12 months beginning	NEMA	SEMA	Eversource Service territory average
June 2016	\$ 4.73	\$ 3.09	\$ 4.40
June 2017	\$ 11.71	\$ 7.75	\$ 10.92
June 2018	\$ 9.72	\$ 11.40	\$ 10.06
June 2019	\$ 7.82	\$ 7.82	\$ 7.82
June 2020	\$ 6.43	\$ 6.43	\$ 6.43

The increases in the cost of capacity described in Table 3 above impact basic service rates charged by the utility, as well as the market rates charged by third party suppliers.

Table 4:
Eversource Residential Rates
Over last 24 months of flat wholesale market

Period: 6 months beginning	summer	Period: 6 months beginning	winter
July 2016	8.208	Jan 2017	10.318
July 2017	10.759	Jan 2018	13.157
July 2018	TBD	Jan 2019	TBD

In spite of a flat wholesale market over the past 24 months the basic service rates have increased year over year, driven by rising capacity costs. Absent an increase in the wholesale market next year, we expect these basic service rates to peak this year.

Aggregation Procurement Strategy Discussion

Since January 2017, Natick has taken the approach of procuring aggregation contracts six months at a time, immediately after the residential Eversource basic service rates are published, in order to guarantee savings compared to basic service. That strategy has been effective to ensure savings for Natick residents participating in the aggregation. However, procuring six-month contracts every six months is not a sustainable strategy in the long term, due to market risks and a changing utility policy.

Market risks of a short-term procurement strategy

Scheduling short-term procurements in the limited two-week window after the utility announces the basic service rates eliminates one of the key benefits of aggregations, which is the ability to

procure in an opportune market, for the most advantageous term. If we stick to the short-term procurement strategy for long enough, we will eventually experience an unfavorable market in that two week window.

Changing utility policy

In addition to the market risks of consecutive six-month procurements, aggregations in Massachusetts may soon lose the ability altogether to procure rates on the same schedule as the utility. When an aggregation changes suppliers, the utility requires time to enroll the aggregation's thousands of accounts with that new supplier. The current "two-week procurement window" is limited to two weeks in order to a) know the Eversource basic service rate the aggregation price is comparing against, and b) also allow the time required for the supplier / utility transactions to enroll the aggregation accounts in the same month when the basic service rate changes. However, this year National Grid has implemented a new schedule that requires two months between the execution of the aggregation supply contract and the enrolment of the aggregation accounts. Under this new policy aggregations in communities served by National Grid will need to choose between procuring against a known basic service rate or procuring for a 6-month term that tracks the basic service schedule. They will no longer be able to do both. Eversource has not implemented this same schedule as a policy yet, but have indicated that they may. Eversource has also indicated that in spite of successfully enrolling aggregation accounts in less than two months in the past, having two months is their preference, and they will not guarantee that they will be able to complete the enrollments in the time allowed between the publication of the upcoming basic service rate and the start of the 6-month basic service term.

If we are able to procure a contract this spring after the basic service rates are announced and still give Eversource enough time to process all of the accounts in the aggregation, it may be the last time we are able to procure on that schedule.

See Appendix A below for proposed schedule options for discussion.

APPENDIX A

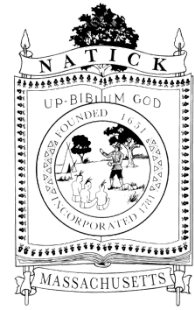
Procurement before the Requested Basic Service Rate is published

March 21	Review updated Bidder Evaluations with Natick
March 28 th	Issue Request for Indicative Prices (RFIP)
April 11 th	Receive Indicative bids from Suppliers
April 16 th	Review Indicative Pricing Memo that tests the market for different contract durations
April 24 th	Issue Request for Executable Prices (RFP) to prequalified Suppliers.
May 8th	Bid Date- Receive Executable Prices from Suppliers. Execute winning Bid if Acceptable
May 16th (est)	Eversource basic service rates published
July 1 st	Eversource basic service rate change goes into effect
July (1st meter read)	Natick aggregation rate change goes into effect

APPENDIX B

Procurement after Requested Basic Service Rate is published

March 21	Review updated Bidder Evaluations with Natick
March 28 th	Issue Request for Indicative Prices (RFIP)
April 11 th	Receive Indicative bids from Suppliers
April 16 th	Review Indicative Pricing Memo that tests the market for different contract durations.
April 24 th	Issue Request for Executable Prices (RFP) to prequalified Suppliers
May 16th (est)	Eversource basic service rates published
May 22nd	Bid Date- Receive Executable Prices from Suppliers. Execute winning Bid if acceptable
July 1 st	Eversource basic service rate change goes into effect
July (1 st meter read)	Natick aggregation rate change goes into effect



Memorandum

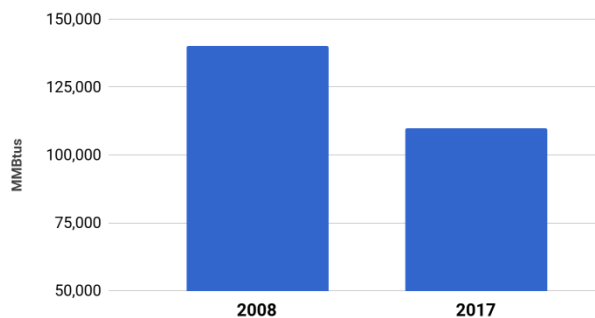
To: Natick Board of Selectmen
CC: William Chenard, Acting Town Administrator
From: Jillian Wilson Martin, Sustainability Coordinator
Date: March 29, 2018
Subject: 2017 Energy Use Update and Plan for 2018

Dear Natick Board of Selectmen:

For the past 10 years, the Town of Natick has sought to reduce its energy use and has implemented a variety of programs and policies in support of this goal. Since first benchmarking municipal energy consumption in 2008, the Town has completed more than 100 energy conservation measures, which are estimated to save more than \$500,000 in electricity, natural gas, oil and other fuel costs annually. As a result of these projects, the Town's energy use has decreased by 20% in less than a decade – from approximately 140,000 MMBtus in Fiscal 2008 to 110,000 MMBtus in Fiscal 2017.

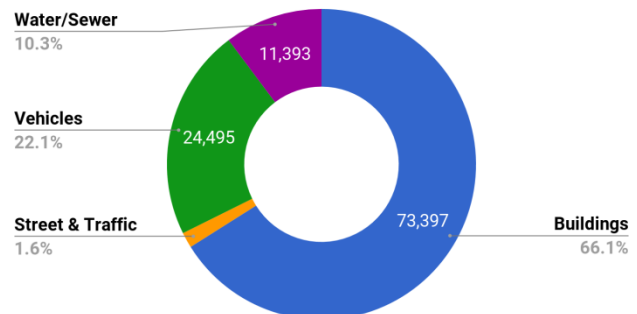
Natick Energy Use

Baseline vs. FY 2017



Natick Energy Use in FY 2017

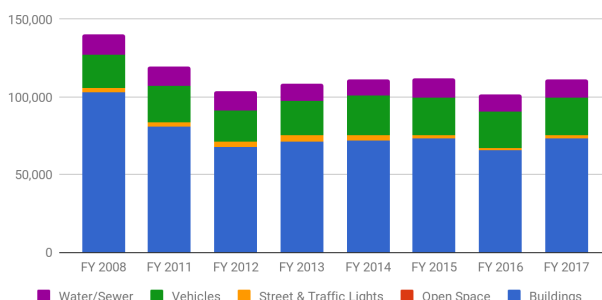
By municipal source, in MMBtus



Unfortunately, in Fiscal 2017, Natick's year-over-year energy use increased from 101,000 MMBtus in Fiscal 2016 to 110,000 MMBtus. While much of this increase can be attributed to weather (a colder winter and hotter summer resulted in a greater demand for heating and cooling), an analysis revealed that several large municipal buildings were not operating as efficiently as possible. In response, the Town is working with the Facilities Management team to develop a budget and schedule for commissioning buildings and will be evaluating energy usage from large buildings on a more frequent basis.

Natick Energy Use Over Time

By municipal source, in MMBtus



2018 Energy Efficiency Projects

Natick is also pursuing a variety of energy efficiency upgrades to further reduce use, with a focus on the sources of high energy consumption and projects with quick paybacks. One source of funding for these projects is the Massachusetts Department of Energy Resources's Green Communities program, which has provided the Town with nearly \$1M since it joined in 2010.

In Calendar Year 2018, the Town has requested Green Communities grants for the following energy efficiency projects:

- DPW Equipment Maintenance Garage and Administrative Offices – LED lighting retrofits
- Police and Fire Headquarters – Variable Frequency Drives (VFDs) for rooftop units
- Morse Institute Library - VFD for chilled water pump
- Morse Institute Library – Replacement of Liebert system serving Archive Room with a ductless mini-split
- Eliot School - LED lighting retrofit

If approved by Green Communities, the Town will complete these projects in fall 2018. They are expected to reduce Natick's energy use by approximately 260,000 kilowatt-hours (kWh) and 2,700 therms of natural gas, which translates into an annual savings of \$43,000.

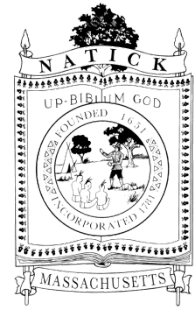
The Town also plans to pursue interior LED lighting retrofits at Police/Fire, Wilson Middle School, Bennett-Hemenway Elementary, Brown Elementary and Memorial Elementary via capital funds. These projects would result in an additional reduction of 278,000 kWh and an annual savings of \$47,000.

Natick typically learns the status of its Green Communities grant request in July of each year. This year our Green Communities regional coordinator has informed us that there is less money available and more candidates than ever before, but we are hopeful we have submitted a strong application. We will be sure to update you as soon as we have more information on this opportunity.

Thank you,

Jillian Wilson Martin

Memorandum



To: Natick Board of Selectmen
CC: William Chenard, Acting Town Administrator
From: Jillian Wilson Martin, Sustainability Coordinator
Date: April 2, 2018
Subject: Update on Eversource Rate Case – DPU 17-05

Dear Natick Board of Selectmen:

In 2017, the Town of Natick, in collaboration with the City of Newton and the Towns of Arlington, Lexington and Weston, served as an intervenor in the Eversource rate case Docket 17-05.

Our concerns regarding this case were related to provisions in Eversource's proposal to eliminate and consolidate rate classes associated with net metered solar projects for municipalities and other large commercial customers (specifically the elimination of Rates A-9 and T-1/B-5 and the transition of accounts using these rates to Rate G-1). We were concerned with this proposal because it was estimated to reduce the value of the net metering credits Natick receives from its municipal solar arrays from about 24 cents to 14 cents per kWh, resulting in a loss of approximately \$340,000 in annual net metering revenue for the Town – or approximately \$6.7 million in lost revenue over our projects' 20-year contract terms.

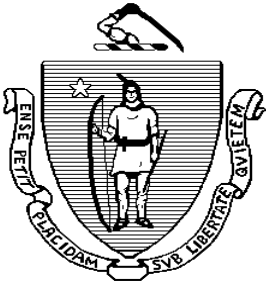
On January 5, 2018, the Massachusetts Department of Public Utilities (DPU) issued its decision on the case (a copy of the decision is attached). The DPU did not approve Eversource's request to eliminate these rate classes at this time. However, it did put "all customers taking net metering services, as well as net metering stakeholders, on notice" that it is possible the current value of net metering credits will decrease in the future. To limit the potential impacts of future rate design proposals, the Department also required Eversource to close Rate T-1/B-5 to all new customers effective February 1, 2018.

While the solar projects Natick is currently net metering will not be affected by the closing of Rate T-1/B-5, our agreement to serve as the host customer for the electricity produced by the solar canopies planned for the West Natick Commuter Rail Station will be. Because we anticipated these rate changes, we included provisions in our contract for negotiations should a "change in applicable legal requirements that result in a material adverse change in the net metering credits value" occurred. This position requires the parties to "negotiate in good faith to amend the agreement," so as to "restore economic benefit" to the Town, and we have been working with the developer to identify an alternative rate and to propose an amended contract to the Board in the coming months.

It should also be noted that the rate case approved a range of other proposals by Eversource including demand charges for new residential solar projects starting on December 31, 2018 and the elimination of optional time-of-use rates for residential customers – two measures that the Board opposed in a previous letter to our legislators in 2017. In January, the MA Telecom Utilities & Energy Committee had an emergency hearing to discuss the implications of these changes and there is interest in legislation that will prevent utilities from imposing demand charges on individual customers. Should the Board agree, I would be happy to draft a new letter in support of this effort for the Town to send to our legislators.

Thank you,

Jillian Wilson Martin



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 17-05-B

January 5, 2018

Petition of NSTAR Electric Company and Western Massachusetts Electric Company, each doing business as Eversource Energy, Pursuant to G.L. c. 164, § 94 and 220 CMR 5.00 et seq., for Approval of General Increases in Base Distribution Rates for Electric Service and a Performance Based Ratemaking Mechanism.

ORDER ESTABLISHING EVERSOURCE'S RATE STRUCTURE

APPEARANCES: Cheryl M. Kimball, Esq.
Danielle C. Winter, Esq.
Jessica Buno Ralston, Esq.
Keegan Werlin LLP
265 Franklin Street
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FOR: NSTAR ELECTRIC COMPANY AND WESTERN
MASSACHUSETTS ELECTRIC COMPANY
Petitioners

Maura Healey, Attorney General
Commonwealth of Massachusetts

By: Joseph W. Rogers
Nathan C. Forster
John J. Geary
Matthew E. Saunders
Donald Boecke
William Stevens
Elizabeth A. Anderson
Alexander M. Early
Elizabeth L. Mahony
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Christina Belew
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MASSACHUSETTS ENERGY DIRECTORS
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and

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FOR: DIRECT ENERGY BUSINESS, LLC; DIRECT
ENERGY MARKETING, LLC; DIRECT ENERGY
SERVICES, LLC; AND DIRECT ENERGY SOLAR,
LLC
Limited Intervenors

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I. INTRODUCTION

On January 17, 2017, NSTAR Electric Company (“NSTAR Electric”)¹ and Western Massachusetts Electric Company (“WMECo”), each doing business as Eversource Energy (collectively, “Eversource” or “Companies”) filed a petition with the Department of Public Utilities (“Department”) seeking approval of increases in base distribution rates for electric service pursuant to G.L. c. 164, § 94 (“Section 94”), as well as other proposals. On June 9, 2017, the Department issued an Interlocutory Order that designated to a separate procedural track the rate design issues in this case. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, Interlocutory Order at 13-14 (June 9, 2017) (“Interlocutory Order”). Pursuant to the Interlocutory Order, the Department determined that it would issue a separate Order addressing rate design issues. Interlocutory Order at 14.

On November 30, 2017, the Department issued a final Order establishing Eversource’s revenue requirement and resolving all issues in this case, other than rate design issues or other related issues specifically reserved for resolution in the instant Order.

NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05 (November 30, 2017) (D.P.U. 17-05 Order). The Companies’ various non-rate design-related proposals and the Department’s decisions regarding the same are discussed in

¹ NSTAR Electric is comprised of three operating units – Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (Exh. ES-RDP-1, at 5). See also BEC Energy/Commonwealth Energy Systems, D.T.E. 99-19 (1999).

full detail in that Order. Consistent with the Interlocutory Order, the instant Order will focus on the Companies' rate design proposals.

II. PROCEDURAL BACKGROUND²

On January 25, 2017, the Attorney General of the Commonwealth of Massachusetts ("Attorney General") filed a notice of intervention pursuant to G.L. c. 12, § 11E (a). The following entities were granted full party intervenor status: (1) Acadia Center; (2) Associated Industries of Massachusetts ("AIM"); (3) the City of Cambridge ("Cambridge"); (4) the towns of Aquinnah, Barnstable, Bourne, Brewster, Chatham, Chilmark, Dennis, Edgartown, Eastham, Falmouth, Harwich, Mashpee, Oak Bluffs, Orleans, Provincetown, Sandwich, Tisbury, Truro, West Tisbury, Wellfleet, and Yarmouth, as well as Barnstable County and Dukes County, acting together as the Cape Light Compact (collectively, "Cape Light Compact"); (5) Conservation Law Foundation ("CLF"); (6) Department of Energy Resources ("DOER"); (7) the Federal Executive Agencies ("FEA"); (8) Low-Income Weatherization and Fuel Assistance Program Network and the Massachusetts Energy Directors Association ("Low Income Network"); (9) Northeast Clean Energy Council ("NECEC"); (10) Retail Energy Supply Association ("RESA"); (11) The Energy Consortium ("TEC"); (12) University of Massachusetts ("UMass"); and (13) Western Massachusetts Industrial Group ("WMIG").

² For a complete procedural history of this proceeding, refer to the D.P.U. 17-05 Order at 5-11.

The following entities were granted limited intervenor status: (1) the Town of Barnstable (“Barnstable”); (2) Cape and Vineyard Electric Cooperative (“CVEC”); (3) ChargePoint, Inc. (“ChargePoint”); (4) Choice Energy, LLC (“Choice Energy”); (5) Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, and Direct Energy Solar, LLC (collectively, as “Direct Energy”); (6) the Energy Consumers Alliance of New England, Inc., d/b/a Massachusetts Energy Consumers Alliance (“Mass. Energy”) and the Sierra Club; (7) the City of Newton and the Towns of Arlington, Lexington, Natick and Weston (“Municipalities”); (8) PowerOptions, Inc. (“PowerOptions”); (9) Sunrun, Inc. (“Sunrun”) and the Energy Freedom Coalition of America, LLC (“EFCA”); and (10) Vote Solar.³ Finally, the following entities were granted limited participant status: (1) The Berkshire Gas Company; (2) Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid; (3) the Massachusetts Water Resources Authority; (4) Microgrid Resources Coalition; (5) the Union of Concerned Scientists; and (6) Wal-Mart Stores East, LP.

III. OVERVIEW OF COMPANIES RATE DESIGN PROPOSALS

The Companies’ initial filing included a number of rate design proposals, including the elimination of separate rates for NSTAR Electric’s three operating units (i.e., Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company) and the establishment of one rate for each rate class; the consolidation and

³ Regarding intervention and limited intervention, see D.P.U. 17-05, Hearing Officer Ruling on Petitions for Intervention at 6-8 (July 17, 2017); D.P.U. 17-05, Hearing Officer Ruling on Petitions for Intervention at 5-9 (March 13, 2017).

alignment of NSTAR Electric's and WMECo's general service rate classes; the consolidation of a number of reconciling mechanism rates; the introduction of a new optional time-of-use rate (rate G-5) for certain small general service (rate G-1) customers; and the implementation of a monthly minimum reliability contribution ("MMRC") rate for new customers seeking to install distributed generation. In their initial filing, the Companies did not propose to consolidate the distribution rates of NSTAR Electric and WMECo. Further, in the initial filing, pursuant to Investigation into Rate Structures that will Promote Efficient Deployment of Demand Resources, D.P.U. 07-50-A (2008), Eversource proposed to implement a rate mechanism to decouple NSTAR Electric's electric revenues from its sales.

On June 1, 2017, the Companies filed a revised rate design proposal that contained several key differences from the Companies' initial filing. In particular, the Companies proposed to: (1) consolidate the revenue requirements of NSTAR Electric and WMECo for rates effective January 1, 2018 and January 1, 2019; (2) maintain existing rate classes, using legacy cost allocation studies, for rates effective January 1, 2018; (3) consolidate rate classes and rates for NSTAR Electric's and WMECo's residential customers effective January 1, 2019; (4) retain rate class WR in 2019; and (5) modify the proposed transmission revenue allocation and rate design, the low-income discount, and certain components of the MMRC rate.

The Companies initially requested that any new rates approved in this proceeding be implemented in two phases, with the first phase to take effect on January 1, 2018, and the second phase to take effect on January 1, 2019 (see Exh. ES-RDP-1, at 48-49, 51, 63). On

December 8, 2017, Eversource filed a Motion to Delay Implementation of Base Distribution Rates (“Motion to Delay Rate Implementation”). In the Motion, the Companies request that the new rates approved in the D.P.U. 17-05 Order for effect on January 1, 2018, instead be implemented on February 1, 2018, with no retroactive impact (Motion at 2). After opportunity for comment from the parties, the Department stamp-approved the Motion on December 14, 2017. Accordingly, the Companies’ currently effective distribution rates and tariffs shall remain in place until February 1, 2018, unless otherwise ordered by the Department. Further, the Department will consider any rate design proposals and proposed tariffs initially proposed by the Companies for effect on January 1, 2018, to be proposed for effect on February 1, 2018.

IV. RATE STRUCTURE

A. Rate Structure Goals

Rate structure defines the level and pattern of prices charged to each customer class for its use of utility service. The rate structure for each rate class is a function of the cost of serving that rate class and how rates are designed to recover the cost to serve that rate class. The Department has determined that the goals of designing utility rate structures are to achieve efficiency and simplicity as well as to ensure continuity of rates, fairness between rate classes, and corporate earnings stability. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 15-155, at 383 (2016); Fitchburg Gas and Electric Light Company, D.P.U. 15-80/D.P.U. 15-81, at 294 (2016); Bay State Gas Company,

D.P.U. 13-75, at 330 (2014); Bay State Gas Company, D.P.U. 12-25, at 444 (2012); New England Gas Company, D.P.U. 10-114, at 341 (2011).

Efficiency means that the rate structure should allow a company to recover the cost of providing the service and should provide an accurate basis for consumers' decisions about how to best fulfill their needs. The lowest-cost method of fulfilling consumers' needs should also be the lowest cost means for society as a whole. Thus, efficiency in rate structure means that it is cost based and recovers the cost to society of the consumption of resources to produce the utility service. D.P.U. 15-155, at 383; D.P.U. 15-80/D.P.U. 15-81, at 295; D.P.U. 13-75, at 330; D.P.U. 12-25, at 445; D.P.U. 10-114, at 342.

The Department has determined that a rate structure achieves the goal of simplicity if it is easily understood by consumers. Rate continuity means that changes to rate structure should be gradual to allow consumers to adjust their consumption patterns in response to a change in structure. Fairness means that no class of consumers should pay more than the costs of serving that class. Earnings stability means that the amount a company earns from its rates should not vary significantly over a period of one or two years. D.P.U. 15-155, at 384; D.P.U. 15-80/D.P.U. 15-81, at 295; D.P.U. 13-75, at 331; D.P.U. 12-25, at 444-445; D.P.U. 10-114, at 342.

There are two steps in determining rate structure: cost allocation and rate design. Cost allocation assigns a portion of a company's total costs to each rate class through an embedded allocated cost of service study ("ACOSS"). The allocated cost of service represents the cost of serving each rate class at equalized rates of return given the company's level of total costs.

D.P.U. 15-155, at 384; D.P.U. 15-80/D.P.U. 15-81, at 296; D.P.U. 13-75, at 331;
D.P.U. 12-25, at 446; D.P.U. 10-114, at 342.

There are four steps to develop an ACOSS. The first step is to functionalize costs. In this step, costs are associated with the production, transmission, or distribution function of providing service. The second step is to classify expenses in each functional category according to the factors underlying their causation. Thus, the expenses are classified as demand-, energy-, or customer-related. The third step is to identify an allocator that is most appropriate for costs in each classification within each function. The fourth step is to allocate all of a company's costs to each rate class based on the cost groupings and allocators chosen and then to sum for each rate class the costs allocated in order to determine the total costs of serving each rate class at equalized rates of return. D.P.U. 15-155, at 384-385; D.P.U. 15-80/D.P.U. 15-81, at 296; D.P.U. 13-75, at 332; D.P.U. 12-25, at 446-447.

The results of the ACOSS are compared to the revenues collected from each rate class in the test year. If these amounts are reasonably comparable, then the revenue increase or decrease may be allocated among the rate classes so as to equalize the rates of the return and ensure that each rate class pays the cost of serving it. If, however, the differences between the allocated costs and the test year revenues are significant, then, for reasons of continuity, the revenue increase or decrease may be allocated so as to reduce the difference in rates of return, but not to equalize the rates of return in a single step. D.P.U. 15-155, at 385; D.P.U. 15-80/D.P.U. 15-81, at 297; D.P.U. 13-75, at 332; D.P.U. 12-25, at 446.

As the previous discussion indicates, the Department does not determine rates based solely on the results of an ACOSS, but also explicitly considers the effect of its rate structure decisions on the amount customers are billed. For instance, the pace at which fully cost-based rates are implemented depends, in part, on the effect of the changes on customers. In addition, considering the goals of efficiency and fairness, the Department has also ordered the establishment of special rate classes for certain low-income customers and considers the effect of such rates and rate changes on low-income customers. D.P.U. 15-155, at 385; D.P.U. 15-80/D.P.U. 15-81, at 297; D.P.U. 13-75, at 332; D.P.U. 12-25, at 447. To reach fair decisions that encourage efficient utility and consumer actions, the Department's rate structure goals must balance the often divergent interests of various customer classes and prevent any class from subsidizing another class unless a clear record exists to support such subsidies — or unless such subsidies are required by statute, e.g., G.L. c. 164, § 1F(4)(i). In addition, G.L. c. 164, § 94I ("Section 94I") requires the Department, in each base distribution rate proceeding, to design rates based on equalized rates of return by customer class as long as the resulting impact for any one customer class is not more than ten percent.⁴

⁴ An Act Relative to Competitively Priced Electricity in the Commonwealth, St. 2012, c. 209, Section 20, inserted Section 94I:

In each base distribution rate proceeding conducted by the [D]epartment under Section 94, the [D]epartment shall design base distribution rates using a cost-allocation method that is based on equalized rates of return for each customer class; provided, however, that if the resulting impact of employing this cost-allocation method for any [one] customer class would be more than [ten] percent, the [D]epartment shall phase in the elimination of any cross

The Department reaffirms its rate structure goals that are designed to result in rates that are fair and cost-based and enable customers to adjust to changes. D.P.U. 15-155, at 386; D.P.U. 15-80/D.P.U. 15-81, at 298; D.P.U. 13-75, at 333; D.P.U. 12-25, at 447.

The second step in determining the rate structure is rate design. The level of the revenues to be generated by a given rate structure is governed by the cost allocated to each rate class in the cost allocation process. The pattern of prices in the rate structure, which produces the given level of revenues, is a function of the rate design. The overarching requirement for rate design is that a given rate class should produce sufficient revenues to cover the cost of serving the given rate class and, to the extent possible, meet the Department's rate structure goals discussed above. D.P.U. 15-155, at 386; D.P.U. 15-80/D.P.U. 15-81, at 298; D.P.U. 13-75, at 333; D.P.U. 12-25, at 447. Further, G.L. c. 164, § 141 ("Section 141") provides:

In all decisions or actions regarding rate designs, the department shall consider the impacts of such actions, including the impact of new financial incentives on the successful development of energy efficiency and on-site generation. Where the scale of on-site generation would have an impact on affordability for low-income customers, a fully compensating adjustment shall be made to the low-income rate discount.

B. Marginal Cost study

1. Introduction

Marginal cost is a measure of the additional cost that a firm incurs to provide an additional unit of a good or service (Exh. ES-MCOS-1, at 3). It is a well-established

subsidies between rate classes on a revenue neutral basis phased in over a reasonable period as determined by the [D]epartment.

principle in economic theory that the best allocation of resources will occur in an economy where prices of goods are set at the marginal cost (Exh. ES-MCOS-1, at 3).

2. Companies Proposal

The Companies submitted a combined marginal cost of service study (“MCS”) on behalf of the NSTAR Electric legacy companies (i.e., Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company) and WMECo (Exhs. ES-MCOS-1, at 1-18; ES-MCOS-2, Schs. MCOS-1 through MCOS-5). The MCS concluded that the marginal cost per-kilowatt (“kW”) increase in demand for a primary distribution customer is \$50.41, and for a secondary distribution customer is \$71.18 (Exhs. ES-MCOS-1, at 2, 16; ES-MCOS-2, Sch. MCOS-5, at 2).

To prepare the MCS, the Companies first calculated Eversource’s marginal distribution capacity costs by regressing the total cost of capacity-related plant additions on electricity demand for its primary and secondary systems (Exh. ES-MCOS-2, Sch. MCOS-1). The Companies loaded this amount to incorporate general plant and then levelized using a fixed carrying charge rate of 8.08 percent (Exh. ES-MCOS-2, Sch. MCOS-5, at 1). The levelized, annualized cost of marginal plant investment was determined to be \$8,326.01 and \$9,140.61 for Eversource’s primary and secondary systems, respectively (Exh. ES-MCOS-2, Sch. MCOS-5, at 1).

Eversource then calculated the Companies’ marginal operations and maintenance (“O&M”) expenses (Exh. ES-MCOS-2, Sch. MCOS-2). Specifically, Eversource regressed O&M expenses separately on peak demand (Exh. ES-MCOS-2, Sch. MCOS-2). The

Companies added together these two evaluations to get primary and secondary total marginal O&M expense (Exh. ES-MCOS-2, Sch. MCOS-5, at 1). For Eversource's primary system, the total marginal O&M expense was \$35,716.54 and for Eversource's secondary system the total marginal O&M expense was \$5,582.09 (Exh. ES-MCOS-2, Sch. MCOS-5, at 1).

Next, Eversource estimated the Companies' total administrative and general ("A&G") expenses (Exh. ES-MCOS-2, Sch. MCOS-3, at 1). Eversource estimated the amounts by first regressing A&G expenses on utility plant and O&M expense (Exh. ES-MCOS-2, Sch. MCOS-3, at 1). The resulting coefficients suggested that A&G was approximately 0.50 percent of the Companies' plant additions and 6.47 percent of the Companies' O&M expense (Exh. ES-MCOS-2, Sch. MCOS-3, at 1). Accordingly, Eversource multiplied its previous evaluations of marginal plant additions and marginal O&M expenses by 0.50 percent and 6.47 percent, respectively (Exh. ES-MCOS-2, Sch. MCOS-5, at 1). Total A&G expenses were determined to be \$2,832.39 and \$932.63 for Eversource's primary and secondary system, respectively (Exh. ES-MCOS-2, Sch. MCOS-5, at 1).

The final task of the MCS was to determine the revenue requirement for Eversource's working capital. For this calculation, Eversource first regressed the Companies' materials and supplies expense ("M&S") on total utility plant to determine their relationship (Exh. ES-MCOS-2, Sch. MCOS-4, at 4). The results revealed that marginal M&S per dollar of marginal plant investment was approximately 0.49 percent (Exh. ES-MCOS-2, Sch. MCOS-4, at 4). Thus, Eversource multiplied the Companies' assessment of total marginal plant investment by the 0.49 percent to calculate the M&S cost (Exh. ES-MCOS-2,

Sch. MCOS-5, at 1). Next, Eversource estimated the Companies' cash working capital O&M allowance by multiplying their total marginal O&M expense by 9.123 percent, the cash working capital allowance rate (Exh. ES-MCOS-2, Sch. MCOS-5, at 1). The sum of the M&S cost and the Companies' cash working capital O&M allowance was then multiplied by the effective tax rate (11.40 percent) to arrive at the final assessment for working capital (Exhs. ES-MCOS-2, Schs. MCOS-4, at 4, MCOS-5, at 1; DPU-34-7). The revenue requirement for working capital totaled \$429.25 for Eversource's primary system, and \$121.36 for its secondary system (Exh. ES-MCOS-2, Sch. MCOS-5, at 1).

The Companies then added together its assessments of marginal plant, marginal O&M expense, marginal A&G expenses, and marginal revenue requirement for working capital to calculate the total marginal cost-per-megawatt for Eversource's primary system of \$47,304 and cost-per-megawatt for Eversource's secondary system of \$15,777 (Exh. ES-MCOS-2, Sch. MCOS-5, at 1).⁵ This sum was increased by 4.87 percent to reflect the rate year inflation rate (Exh. ES-MCOS-2, Schs. MCOS-3, at 1, MCOS-4, at 4). It was then multiplied by the ratio of the transmission and distribution demand loss factors to arrive at the MCS's final assessment that the marginal cost per-kW increase in demand for a primary distribution customer is \$50.41, and for a secondary distribution customer is \$71.18

⁵ For Eversource's primary system, the sum of marginal plant (\$8,326), marginal O&M expense (\$35,717), marginal A&G expenses (\$2,832), and marginal revenue requirement for working capital (\$429) is \$47,304. For Eversource's secondary system, the sum of marginal plant (\$9,141), marginal O&M expense (\$5,582), marginal A&G expenses (\$933), and marginal revenue requirement for working capital (\$121) is \$15,777.

(Exhs. ES-MCOS-1, at 2, 16; ES-MCOS-2, Schs. MCOS-3, at 2, MCOS-5, at 2). No party addressed the Companies' MCS on brief.

3. Analysis and Findings

In Fitchburg Gas and Electric Light Company, D.T.E. 02-24/25, at 243-244, in determining marginal costs, we directed companies to use multiple variable regression equations when regressing historical plant investment on customer load without differentiating among customer classes. We also directed companies to test for multicollinearity, heteroscedasticity, and autocorrelation, and apply remedial procedures as necessary. In addition, we required that companies perform a check of theoretical consistency.

D.T.E. 02-24/25, at 243-244. The Department has reviewed the Companies' proposal and finds that it is in compliance with these directives (Exhs. ES-MCOS-2, Schs. MCOS-1, at 1-2, MCOS-2, at 1-4, MCOS-3, at 1-3; DPU-4-9; DPU-4-11; Tr. 17, at 3524-3525).

Further, in D.T.E. 02-24/25, at 243, the Department directed that all historical (time series) data sets used in preparing a MCS must be no less than 30 years in length in order to improve the accuracy of the econometric analyses. Eversource acknowledges that it did not provide 30 years of historical data in support of its MCS (Exh. ES-MCOS-1, at 4, 5, and 7). The Companies state that reliable data was not available prior to 1991 for the NSTAR Electric legacy companies and, therefore, only 25 years of data was available for the MCS analysis (Exh. ES-MCOS-1, at 4, 5, and 7). The Department accepts Eversource's representation regarding the lack of reliable NSTAR Electric-related data prior to 1991. The Department finds that, in this instance, given the difficulties in obtaining sufficient data, the

use of 25 years of reliable historical data is acceptable for preparing the MCS.

See New England Gas Company, D.P.U. 08-35, at 230 (2009) (Department accepted less than 30 years of historical data due to difficulties in obtaining data over a 30-year period).

Our decision, however, is not a departure from the Department's long-standing requirement for distribution companies to provide 30 years of reliable historical data. Rather, it is in recognition of the circumstances present in this particular case.

Next, we find that, consistent with Department precedent the Companies have removed all production, transmission, and customer costs from the MCS (Exhs. ES-MCOS-1, at 4; DPU-4-1; DPU-4-8, Att.; DPU-4-9, Att.). Bay State Gas Company, D.T.E. 05-27, at 322 & n.170 (2005).

Finally, the Department has cautioned that the extensive use of dummy variables and autoregressive terms in a regression analysis may not lead to the development of a model with the best predictive powers. D.P.U. 10-114, at 355. In the past, the Department directed the former New England Gas Company to develop a marginal cost study that limits the number of dummy variables and autoregressive terms or, alternatively, to provide justification as to why the company was unable to identify causal variables. D.P.U. 10-114, at 355. While the record in the instant case indicates that Eversource also used a majority of dummy variables and autoregressive terms, the Department is satisfied with the Companies' explanation for their use and, as such, accepts their results (Exhs. DPU-4-10, Att.; RR-DPU-53). However, we reiterate our concern regarding the extensive use of dummy variables and autoregressive terms. Therefore, we find it appropriate to extend the directive

made in D.P.U. 10-114 to all electric and gas companies. Accordingly, going forward, the Department directs all electric and gas companies to limit the number of dummy variables and autoregressive terms or, alternatively, provide justification as to why the company was unable to identify causal variables.

C. Allocated Cost of Service Study

1. Introduction

Eversource performed multiple ACOSSs⁶ that directly assign or allocate, based on cost-causation principles, the Companies' total cost of service to each rate class (Exh. ES-ACOS-1, at 3). Generally, there are three steps to the development of the Companies' ACOSS (Exh. ES-ACOS-1, at 4).

First, the Companies functionalized costs by operational function such as distribution or transmission (Exh. ES-ACOS-1, at 4, 6-7). Eversource proposed that all costs be functionalized as distribution-related because this function captures all the costs that it proposes to recover through base distribution rates (Exh. ES-ACOS-1, at 6-7).

Second, the Companies classified functionalized costs as demand-, energy-, customer-, or streetlight-related according to the system design or operating characteristics that cause them to be incurred (Exh. ES-ACOS-1, at 4). Demand-related costs are associated with plant that is designed, constructed, and operated to meet peak demand requirements that customers impose on the system (Exh. ES-ACOS-1, at 5). Energy-related costs vary with the electricity consumed by customers (Exh. ES-ACOS-1, at 5). Customer-related costs are a function of

⁶ This section addresses the Companies' proposed design of their ACOSS. The use of multiple ACOSS will be discussed separately in Section IV.D.2 below.

the number of customers Eversource serves, and the Companies incur these costs whether or not the customer has consumption (Exh. ES-ACOS-1, at 4). Customer-related costs may include capital costs associated with services and meters, customer service expenses, and accounting expenses (Exh. ES-ACOS-1, at 4). The Companies used the streetlight classification to isolate the costs of Companies-owned street and area lighting facilities for the rate design (Exh. ES-ACOS-1, at 7).

Regarding the classification of specific cost accounts, the Companies proposed to classify 100 percent of the costs in account 303 (intangible plant) and account 904 (uncollectibles) as customer-related (Exhs. ES-ACOS-1, at 10; ES-ACOS-3, at 2, AG-13-8; Tr. 16, at 3282). Additionally, Eversource proposed to classify administrative and general costs using plant or labor internal allocation factors, and general plant costs using the internal labor allocation factor, which result in a portion of these costs classified as customer-related and a portion of these costs classified as demand-related (Exh. ES-ACOS-1, at 10-11). Finally, the Companies proposed to classify 100 percent of costs in accounts 364, 365, 367 (poles and conductors) as demand-related (Exh. ES-ACOS-3, at 1).

The third step is the allocation of each functionalized and classified cost element to each rate class based on cost-causation principles (Exh. ES-ACOS-1, at 5).⁷ Eversource proposed to either directly assign or allocate costs to rate classes using internal or external

⁷ Inherent in this third step is the process of identifying an allocator that is most appropriate for costs in each classification within each function.

allocators (Exh. ES-ACOS-1, at 5).⁸ Direct assignment of costs can be accomplished with specific identification and isolation of plant and/or expenses that are incurred exclusively to serve a specific customer or group of customers and best reflect cost-causative characteristics (Exh. ES-ACOS-1, at 5). Eversource calculated external allocation factors, such as sales, number of customers, or peak demands, from their records (Exh. ES-ACOS-1, at 5). The Companies developed internal allocation factors within the ACOSS from previously allocated costs (e.g., using allocated plant costs to allocate depreciation expenses) (Exh. ES-ACOS-1, at 5). Eversource proposed to allocate costs for line transformers in account 368 using the sum of customer non-coincident peak (i.e., the maximum demand of each customer at any time during the year) (Exh. ES-ACOS-1, at 9).

2. Positions of the Parties

a. Attorney General

According to the Attorney General, the Companies committed two errors in the design of their ACOSS (Attorney General Brief at 8).⁹ The Attorney General argues that the Companies improperly: (1) classified the account for miscellaneous intangible plant, or

⁸ Internal allocation factors are developed from previously allocated costs (Exh. ES-ACOS-1, at 5). External allocation factors are developed from the Companies' records (Exh. ES-ACOS-1, at 5).

⁹ Unless otherwise specifically noted, all citations to the briefs in this Order refer to the briefs filed pursuant to the rate design track established by the Department on June 19, 2017. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05, Hearing Officer Memorandum, Procedural Schedule – Rate Design Track (June 19, 2017).

account 303; and (2) allocated the account for line transformers, or account 368 (Attorney General Brief at 8-9).

The Attorney General explains that account 303 contains the costs of capitalized computer software licenses (Attorney General Brief at 8). According to her review of the specific software licenses that the Companies recorded to account 303, the Attorney General alleges that the software services multiple functions, such as meeting demand, enabling the provision of energy, typical customer service functions, outage management, plant accounting, geographic information systems, and workforce management (Attorney General Brief at 8, citing Tr. 16, at 3282-3284). The Attorney General contends that when an account services multiple functions, it is customary to use an allocator that includes a proportion of costs from all functions, such as a labor or total plant allocator (Attorney General Brief at 8). However, she maintains that the Companies instead assigned 100 percent of the costs in account 303 to the customer function (Attorney General Brief at 8). The Attorney General contends that this method results in excessive costs of these investments allocated to residential customers (Attorney General Brief at 8). Therefore, the Attorney General recommends classifying the costs in account 303 using a labor allocator (Attorney General Brief at 9, citing Exh. AG-SJR-1, at 12-13).

In allocating costs from account 368, the Attorney General argues that the Companies failed to recognize the diversity in demand from customers that are served by the same transformer (Attorney General Brief at 9). The Attorney General maintains that it is appropriate to use an allocation factor that recognizes diversity of demand within a rate class

because several customers sharing a transformer do not peak at the same time (Attorney General Brief at 9, citing Exh. AG-SJR-1, at 14-16). The Attorney General argues that the Companies method of using a customer non-coincident peak demand (or the maximum demand of each customer at any time during the year) derived from a load research study, does not consider customer diversity (Attorney General Brief at 9-10, citing Tr. 16, at 3276). Accordingly, the Attorney General asserts that the allocation of account 368 for line transformers should use a method that recognizes customer peak diversity (Attorney General Brief at 10, citing Exh. AG-SJR-1, at 14-16).

b. Acadia Center

Acadia Center argues that in several ways the Companies improperly allocated certain costs as to overstate customer-related costs (Acadia Center Brief at 11). Thus, Acadia Center requests that the Department direct Eversource to update its ACOSS to properly allocate customer-related costs (Acadia Center Brief at 11). According to Acadia Center, this will ensure that customer charges are no higher than the customer-related costs (Acadia Center Brief at 11).

First, Acadia Center agrees with the Attorney General that the Companies' proposed classification of costs in account 303 for intangible plant as customer-related is incorrect (Acadia Center Brief at 11, citing Exhs. AG-SJR-1, at 10-12; AC-ML-1, at 22). Acadia Center maintains that the functions performed by the software in account 303, which include geographic information systems ("GIS") and outage management software, are not 100 percent related to customer functions (Acadia Center Brief at 11, citing Exh. AG-13-8).

According to the Acadia Center, costs related to the separate functions of the software in account 303 should be separately allocated (Acadia Center Brief at 11, citing Exh. AC-ML-1, at 22).

Second, Acadia Center argues that the ACOSS treatment of all uncollectible expenses as customer-related is inappropriate (Acadia Center Brief at 12, citing Exh. AC-ML-1, at 23). According to Acadia Center, NSTAR Electric's residential rate classes are allocated approximately \$10 million in customer-related O&M expenses from the Companies' proposed allocation method of uncollectible expenses (Acadia Center Brief at 12, citing Exh. DPU-1-8, Att. at 19).

Third, Acadia Center maintains that the Companies improperly classified other administrative and general expenses and general plant as customer-related (Acadia Center Brief at 12). Acadia Center argues that these categories of expenses do not represent customer-related O&M expenses directly incurred from metering, meter reads, customer accounts and record, and customer service (Acadia Center Brief at 12, citing Exh. AC-ML-1, at 23). Accordingly, Acadia Center recommends that the other administrative and general expenses and general plant accounts be allocated without any classification of these costs as customer-related because these accounts do not increase when the number of customer increases (Acadia Center Brief at 12, citing Tr. 18, at 3601). For all these reasons, Acadia Center maintains that too much of the cost in these accounts are classified as customer-related (Acadia Center Brief at 11-12).

c. FEA

FEA argues that the Companies' ACOSS is flawed because it does not account for the customer-related costs of poles and conductors (FEA Brief at 7). According to FEA, the Companies acknowledged that the distribution revenue requirement of plant beyond meters is both customer- and demand-related (FEA Brief at 7-8, citing Exh. ES-ACOS-1, at 15; Western Massachusetts Electric Company, D.P.U. 10-70 (2011), Exh. WM-EAD). Therefore, by classifying these costs as demand related, FEA maintains that the Companies' ACOSS overstates the cost of service for large users for 2019 rates, such as the legacy Rate G-3 customers in the Boston Edison Company service territory (FEA Brief at 7-8).

d. WMIG

WMIG disagrees with the Attorney General and argues that the Companies did not make any errors in its ACOSS (WMIG Reply Brief at 8, citing Attorney General Brief at 8). According to WMIG, allocating costs in account 303 using a customer allocator is reasonable because, WMIG contends, software systems (e.g., GIS and system control and data acquisition ("SCADA")) do not vary with demand (WMIG Reply Brief at 9, citing Tr. 16, at 3282). Therefore, WMIG asserts that the Department should reject the Attorney General's argument that costs in account 303 should be allocated using a labor or total plant allocator (WMIG Reply Brief at 9).

Moreover, WMIG objects to the Attorney General's argument that the Companies' allocation of line transformer costs in account 368 using non-coincident peak does not consider diversity of customers on a line (WMIG Reply Brief at 9). According to WMIG,

coincident peaks are possible when residential customers return home in the late afternoon and turn on many household appliances and lights at the same time (WMIG Reply Brief at 9). WMIG maintains that the Companies are required to size their infrastructure to ensure customer demand can be served at any moment (WMIG Reply Brief at 9). Accordingly, WMIG argues that line transformers must be ready to accommodate demand (WMIG Reply Brief at 9). Therefore, WMIG alleges that the Companies' allocation of account 368 is reasonable (WMIG Reply Brief at 9).

Finally, WMIG argues that the result of implementing the Attorney General's recommendations would distort the ACOSS by benefitting residential customers at the expense of commercial customers (WMIG Reply Brief at 9-10). Therefore, WMIG asserts that the Department should reject the Attorney General's recommended changes to the ACOSS (WMIG Brief at 10).

e. Companies

i. Account 303

Eversource did not specifically address the aforementioned arguments on brief. However, according to the Companies, investments in account 303 serve multiple functions including outage management, SCADA, plant accounting, workforce management, customer information systems, GIS, meter reading, net metering, billing, and other functions (Exh. AG-13-8; Tr. 16, at 3282-3284). Further, the Companies assert that these costs are more customer-related than demand-related, and they assigned 100 percent of the costs in account 303 to the customer function (Exhs. ES-ACOS-1, at 10; AG-13-8; Tr. 16,

at 3282).¹⁰ According to Eversource, although the National Association of Regulatory Utility Commissioners (“NARUC”) Electric Utility Cost Allocation Manual treats all intangible plant as demand-related, the Companies claim that this guidance is found in a discussion of production plant cost allocation, and therefore, does not apply here (Exhs. AG-13-8; DPU-1-7, Att. at 40).

ii. Account 368

The Companies used the sum of customer non-coincident peak demands, or the maximum demand of each customer at any time during the year, to allocate costs for line transformers in account 368 (Exh. ES-ACOS-1, at 9). According to the Companies, facilities closer to the customer have lower load diversity than facilities further from the customer (Exh. ES-ACOS-1, at 9). Therefore, Eversource states that facilities are sized to meet a higher demand level representative of non-coincident peak demand (Exh. ES-ACOS-1, at 9).

iii. Uncollectible Expenses

Eversource states that it classifies uncollectible expenses as customer-related (Exh. ES-ACOS-3, at 2). According to the Companies, they allocated uncollectible expenses in account 904 on the basis of write-offs (Exh. ES-ACOS-1, at 11).

iv. Other Administrative and General Plant Expenses

The Companies assert that they allocated administrative and general costs using plant or internal labor allocation factors (Exh. ES-ACOS-1, at 11). Eversource states it classified

¹⁰ However, the Companies state that SCADA and GIS “could have a demand function to it, in terms of that they’re used for design and operation of the system” (Tr. 16, at 3283).

and allocated general plant costs using the internal labor allocation factor based on the classification and allocation of labor expenses (Exh. ES-ACOS-1, at 10).

v. Poles and Conductors

The Companies state that they classified poles and conductors as demand-related (Exh. ES-ACOS-3, at 1). Eversource maintains that it allocated the cost of poles and conductors using the class non-coincident peak and class non-coincident peak secondary allocators (Exh. ES-ACOS-4, at 1).

3. Analysis and Findings

The Attorney General and Acacia Center disagree with the Companies' method of classifying costs in account 303 (Attorney General Brief at 8-9; Acadia Center Brief at 11). Further, the Attorney General argues that Eversource improperly allocated costs in account 368 (Attorney General Brief at 8-9). Conversely, WMIG disagrees with the Attorney General and argues that the Companies did not make any errors in its ACOSS (WMIG Reply Brief at 8). Moreover, Acadia Center contends that the Companies did not correctly classify uncollectible expenses, other administrative and general expenses, and general plant expenses (Acadia Center Brief at 12). Finally, FEA maintains that the Companies did not classify pole and conductor costs appropriately (FEA Brief at 7).

The Department has reviewed the types of software booked to account 303 and determines that it contains both customer- and demand-related software services (Exh. AG-13-7, Atts. (a) & (b)). The Companies' investments in account 303 serve multiple customer- and demand-related services including outage management, SCADA, plant

accounting, workforce management, customer information systems, GIS, meter reading, net metering, and billing functions (Exh. AG-13-8; Tr. 16, at 3282-3284). Accordingly, the Department agrees with the Attorney General's position that account 303 would be more appropriately classified and allocated using the labor allocator. Moreover, WMECo used a labor allocator in its last base rate case to classify and allocate costs in account 303 (Exh. DPU-1-1, at 1). The Companies have not justified the change in classification and allocation method for account 303. Therefore, the Department directs Eversource to rerun its ACROSS using the labor allocator for account 303 in its compliance filing.

Regarding account 368, the non-coincident peak cost allocation method most accurately captures the drivers behind transformer costs. Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 09-39, at 413 (2009). Eversource used the non-coincident peak method to allocate costs for transformers in account 368 (Exh. ES-ACOS-1, at 9). Here, the Attorney General recommends that the non-coincident peak allocation method should consider load diversity (Attorney General Brief at 9). The Attorney General relies on data from United Illuminating Company, a Connecticut-based utility, to calculate her proposed diversity factors for recalculating the non-coincident peak allocation factors that the Companies used to allocate transformers (Exh. AG-SJR-1, at 15-16). The record in this proceeding, however, is insufficient to determine Eversource-specific diversity factors to recalculate the allocation factors for transformers. Therefore, the Department allows Eversource's proposed allocation of transformers for account 368, and notes that we expect the Companies to address the allocation of transformer

costs in a future proceeding. In this regard, the Department puts the Companies, and all electric distribution companies, on notice that we will consider the allocation of transformer costs using the non-coincident peak allocation method with the application of load diversity factors in each electric distribution company's next base distribution rate proceeding. Thus, as part of the initial filing in its next base distribution rate proceeding, each electric distribution company must address and provide justification for the continued use of the non-coincident peak allocation method without application of the load diversity factor in its proposed ACOSS.

Further, Acadia Center and FEA allege deficiencies in the Companies' ACOSS regarding the allocation of uncollectible, other administrative and general, general plant, poles, and/or conductor costs (Acadia Center Brief at 12; FEA Brief at 7). Eversource records the cost of uncollectibles to account 904. FERC accounts 901-917 contain costs that are customer-related costs because they include the costs of billing and collection, providing service information, and advertising (Exh. DPU-1-7, Att. at 108). Uncollectibles are related to the costs of billing and collection, and therefore, the Companies appropriately classified the costs as customer-related.

Moreover, Eversource classified and allocated administrative and general expenses using the plant or labor internal allocation factors, and general plant costs using the internal labor allocation factor (Exh. ES-ACOS-1, at 10-11). Acadia Center maintains that too much of the cost in these accounts are classified as customer-related (Acadia Center Brief at 12). Administrative and general expenses and general plant serve many functions. The internal

labor factor is based on the classification and allocation of labor expenses (Exh. ES-ACOS-1, at 10). These methods result in some costs in these accounts being classified as demand-related and some as customer-related. An account that serves multiple functions is usually allocated using a factor (e.g., labor) that recognizes the mixed use of the account (Exh. AG-SJR-1, at 12). The labor allocator is based on wages and salaries incurred across the utility (Exh. AG-SJR-1, at 12). A utility incurs labor costs throughout its business and therefore, the labor allocator provides a representation of costs that serve multiple functions throughout the utility (Exh. AG-SJR-1, at 12). Moreover, the classification of poles and conductors in accounts 364, 365, and 367 as 100 percent demand-related is a reasonable method and that the Department has approved in recent rate cases. D.P.U. 15-155 (Exh. NG-PP-2(c) at 1); D.P.U. 10-70 (Exh. WM-EAD at 7-8)

Having reviewed these arguments, we are not persuaded that the Companies' ACOS requires any further modification. Therefore, the Department declines to adopt Acadia Center and FEA's recommendations regarding the classification and allocation of the following costs: uncollectible, other administrative and general, general plant, poles, and conductors. Accordingly, we accept the Companies' ACOS as proposed and with the aforementioned directive regarding the allocation of costs in account 303.

D. Rate Design and Cost Allocation, Consolidation, and Alignment

1. Introduction

NSTAR Electric was created when BEC Energy and Commonwealth Energy System merged on August 25, 1999, forming a new holding company, NSTAR, with three retail

electric distribution company subsidiaries: Boston Edison Company; Cambridge Electric Light Company; and Commonwealth Electric Company (Exh. ES-RDP-1, at 5).

BEC Energy/Commonwealth Energy System, D.T.E. 99-19 (1999) (as part of the merger transaction between the two holding companies, Department approved a rate plan for these three subsidiaries, in addition to approving a rate plan for Commonwealth Gas Company). These subsidiaries began operating under the brand name NSTAR Electric on November 1, 2000, but offered retail service under three different sets of tariffs and pricing (Exh. ES-RDP-1, at 5). On April 4, 2012, the Department approved the merger of the Companies' holding companies NSTAR and Northeast Utilities. NSTAR/Northeast Utilities Merger, D.P.U. 10-170 (2012).

In the D.P.U. 17-05 Order at 43-44, the Department approved the complete corporate consolidation of Eversource's operations for both NSTAR Electric and WMECo. In anticipation of this approval, in their initial filing, the Companies proposed a consolidation of the cost allocation for all of their customers across all four former subsidiaries (Exh. ES-RDP-1, at 5-6).¹¹ Further, the Companies proposed an alignment of the rate tariffs between the three NSTAR Electric companies and WMECo (Exh. ES-RDP-1, at 6).¹²

¹¹ The term "consolidation" in the context of the Companies' cost allocation proposal refers "to the process of condensing the number of tariffs or rate classes within NSTAR Electric and WMECo, respectively" (Exh. ES-RDP-1, at 8).

¹² The term "alignment" in the context of the Companies' tariffs refers "to the process of standardizing the availability and applicability provisions for each rate class or tariff so that customers in [NSTAR Electric] and [WMECo] will be subject to a single set of rules" (Exh. ES-RDP-1, at 8).

The Companies stated that their alignment plan would simplify rate administration and establish a common platform to consolidate the pricing of rates of NSTAR Electric and WMECo in a future rate case filing (Exh. ES-RDP-1, at 6).

In their consolidation and alignment plan, the Companies proposed twelve tariffs that govern base distribution rate availability for both NSTAR Electric and WMECo for effect on January 1, 2019 (Exh. ES-RDP-1, at 9-10; RR-DPU-51, Att. (c) at 30-31). These twelve tariffs include: (1) Rate R-1, residential; (2) Rate R-2, residential low-income; (3) Rate R-3, residential heating; (4) Rate R-4, residential heating low-income; (5) Rate G-1, small general service;¹³ (6) Rate G-5, optional time of use (“TOU”) small general service; (7) Rate G-2, medium general service; (8) Rate G-3, large general service; (9) Rate G-4, extra-large general service; (10) Rate S-1, street and security lighting – company owned; (11) Rate S-2, street and security lighting - customer owned; and (12) Rate WR, Massachusetts Water Resource Authority (Exh. ES-RDP-1, at 9-10; RR-DPU-51, Att. (c) at 30-31). The Companies proposed the same distribution rates for residential customers across all legacy companies effective January 1, 2019, but Eversource proposed separate distribution rates for commercial and industrial (“C&I”) customers between NSTAR Electric and WMECo effective January 1, 2019 (Exhs. ES-RDP-1, at 10; DPU-56-9, at 1 (Supp.)).

The Companies based their proposed rate design consolidation and alignment on four primary objectives: (1) eliminating obsolete legacy rate classes; (2) matching availability

¹³ Eversource proposed a demand and non-demand Rate G-1 (RR-DPU-51, Att. (c) at 13-16). To qualify for the non-demand Rate G-1, a customer must take single-phase service not exceeding 100 amperes (RR-DPU-51, Att. (c) at 13).

provisions of residential and C&I tariffs; (3) establishing rate classifications that customers will understand and that would provide for fair, consistent pricing to similar customers; and (4) limiting the number of customers that will be assigned to a new rate class that is different from the customer's current classification (Exh. ES-RDP-1, at 22-23). The Companies proposed a revised rate design on June 1, 2017 for which they seek Department approval (Exhs. ES-RDP-Rebuttal-1, at 2 (May 20, 2017); DPU-56-9 (Supp.); Companies Brief at 28). The revised rate design retained the aforementioned proposals.

2. Specific Components of the Companies' Proposals

In its revised rate design, Eversource proposed that customers remain on their legacy rate classes during a transition period (i.e., calendar year 2018) (Exh. DPU-56-9, at 1 (Supp. 1)). The Companies proposed that the consolidated residential rate classes and aligned C&I rate classes take effect on January 1, 2019 (Exh. DPU-56-9, at 1 (Supp. 1)).

The Companies proposed to use a legacy rate class ACOSS to design 2018 distribution rates using a fully consolidated revenue requirement for both NSTAR Electric and WMECo (Exh. DPU-56-9, at 1 (Supp.); RR-DPU-49, Atts. (A)-(E)). Therefore, the Companies proposed four ACOSS (one for each subsidiary company) to inform their rate design in 2018 (Exh. DPU-56-9, at 1, 7 (Supp.); RR-DPU-49, Atts. (A)-(E)). For rates effective January 1, 2019, the Companies proposed to use one consolidated ACOSS to inform their rate design for 2019 (Exh. DPU-56-9, at 1 (Supp.); RR-DPU-49, Att. (J)). The results of the Companies' consolidated ACOSS show that, at present rates, Eversource is currently earning an overall return of 5.8 percent, and individual class returns vary

between -1.57 percent for street lighting to 8.64 percent for Rate G-1 (RR-DPU-49, Att. (J) at Exh. ES-ACOS-2 (ALT1) at 1-2).¹⁴ The following descriptions of the Companies' rate design proposals include components of their initial and revised proposals.

a. Residential Rate Design

In 2018, the Companies proposed to retain all existing residential rate classes and design rates based on the legacy ACOS results (Exh. DPU-56-9, at 1 (Supp.)). In 2019, the Companies proposed to consolidate rate classes and distribution rates for both NSTAR Electric and WMECo, so that, within each rate class, all residential customers across Eversource's service territory would have the same rates (Exhs. DPU-56-9, at 1 (Supp.); ES-RDP-1, at 17-18; ES-RDP-9, at 27-28). Thus, the Companies proposed that the consolidated residential tariffs (i.e., Rate R-1 to Rate R-4) will govern residential customers that NSTAR Electric and WMECo serve (Exh. ES-RDP-9, at 26).

For NSTAR Electric, the Companies' proposal for effect on January 1, 2019 eliminates the following residential rate classes and transfers these customers to the proposed consolidated Rate R-1: (1) Boston Edison Company's Rate R-4, optional residential TOU; (2) Cambridge Electric Light Company's Rate R-5, optional residential TOU; (3) Commonwealth Electric Company's Rate R-5, controlled water heating; and (4) Commonwealth Electric Company's Rate R-6, optional residential TOU (Exh. ES-RDP-9, at 14-16, 27-28). Additionally, the Companies' proposal eliminates Cambridge Electric Light

¹⁴ The Department approved an overall return of 7.33 percent for NSTAR Electric and 7.26 percent for WMECo. D.P.U. 17-05, at 770, 779.

Company's Rate R-6, optional residential space heating TOU and transfers these customers to their proposed consolidated Rate R-3 (Exh. ES-RDP-9, at 14-16, 27-28). Further, Boston Edison Company's residential low-income space heating customers who currently are assigned to legacy rate class Rate R-2 will be transferred to the equivalent proposed rate, consolidated Rate R-4 (Exh. ES-RDP-2, Sch. RDP-2 (East) at 1-2). Finally, the Companies propose to eliminate seasonally differentiated pricing¹⁵ for residential customers served by the legacy Commonwealth Electric Company (Exh. ES-RDP-1, at 27).

Regarding WMECo's legacy residential rate classes for effect on January 1, 2019, the Companies propose to eliminate inclining block rates and to implement a flat volumetric rate for WMECo's proposed residential rates (Exh. ES-RDP-1, at 13). WMECo's current residential rate classes align with the Companies' proposed consolidated residential rate classes (Exh. ES-RDP-1, at 9).

b. C&I Rate Design

Eversource's current rate classes for C&I customers vary among the Companies' four subsidiary electric companies (Exh. ES-RDP-1, at 53). Boston Edison Company currently offers the following C&I rates: Rate G-1, Rate G-2, TOU Rate G-3, Optional TOU Rate T-1, and TOU Rate T-2 (Exh. ES-RDP-1, at 53). Cambridge Electric Light Company currently offers the following C&I rates: Rate G-0 (Non-Demand); Rate G-1, Large General TOU/Secondary Rate G-2; Large General TOU /13.8 kilovolt ("kV") Service Rate G-3;

¹⁵ Seasonal rate options are available for customers with seasonal load characteristics, where summer electricity use from June through September is greater than winter electricity use over the remaining eight months (Exh. ES-RDP-9, at 27).

Optional General TOU Rate G-4; Commercial Space Heating Rate G-5; and Optional General TOU (Non-Demand) Rate G-6 (Exh. ES-RDP-1, at 53). Commonwealth Electric Company currently offers the following C&I rates: General Rate G-1; Medium General Service TOU Rate G-2; Large General Service TOU Rate G-3; General Power Rate G-4; Commercial Space Heating Rate G-5; All Electric School Rate G-6; and Optional General TOU Rate G-7 (Exh. ES-RDP-1, at 53).¹⁶ WMECo currently offers the following C&I rates: small TOU T-0; large primary service Rate T-2, primary Rate T-4; extra-large primary service TOU T-5; small Rate G-0, primary Rate G-2; optional church Rate 24; and optional controlled water heating Rate 23.¹⁷

Effective January 1, 2019, the Companies propose to reassign NSTAR Electric and WMECo C&I customers to new rate classifications according to the following characteristics:

¹⁶ See Section IV.K.5 for a discussion of standby rate classes.

¹⁷ The following rates are closed to new customers: WMECo Rate 23 and Rate 24; Cambridge Electric Light Company Rate G-5; and Commonwealth Electric Company Rate G-4, Rate G-5, and Rate G-6 (M.D.P.U. Nos. 1002W, 1003W; M.D.T.E. Nos. 235G, 333F, 334F, 335F).

Consolidated C&I Rate Classes¹⁸

Consolidated / Aligned Rate Classification		Maximum Monthly Demand	
		Lower Limit	Upper Limit
Rate G-1 Non-demand	Small (Non-demand)	0 kW	N/A
Rate G-1 Demand	Small (Demand)	0 kW	≤ 100 kW
Rate G-2	Medium	> 100 kW	< 350 kW
Rate G-3	Large	≥ 350 kW	$< 2,500$ kW
Rate G-4	Extra Large	$\geq 2,500$ kW	

The Companies mapped customers from their current legacy rate classification to their new rate classification by using 2015 monthly billing data¹⁹ (“billing database”) for each customer by rate class, separately for Boston Edison, Cambridge Electric Light, Commonwealth Electric, and WMECo (Exh. ES-RDP-1, at 54-55). Based on the 2015 monthly billing determinants and the new rate class parameters, the Companies tallied the 2015 subtotals of each customer’s billing determinant by each combination of current rate class and new rate class (Exh. ES-RDP-1, at 56). Based on this mapping, the Companies calculated a percent allocation of each billing determinant from the legacy rate classes to each new rate class (“Mapping Allocation Factors”) (Exh. ES-RDP-1, at 56).

The Companies multiplied calendarized monthly test year billing determinants for the legacy rate classes by the Mapping Allocation Factors (Exh. ES-RDP-1, at 57). The product of the adjusted test year billing determinants and the Mapping Allocation Factors produced

¹⁸ Source: Exh. ES-RDP-1, at 54.

¹⁹ Monthly billing data includes: customer identification code, customer meter code, current rate class, new rate class, if a bill was rendered, meter read dates, billed energy usage (kWh), including on and off peak energy usage; billing demand, including on- and off-peak billing demand (kW and/or kVa) (Exh. ES-RDP-1, at 56).

the Companies' test year billing determinants by the new rate classes (Exh. ES-RDP-1, at 57). Using the calculated billing determinants for the new rate classes, the Companies then calculated test year distribution revenues for each combination of legacy to proposed rate classification (e.g., legacy Boston Edison Company Rate G-1 (demand) to proposed consolidated Rate G-1 (demand)) (Exh. ES-RDP-1, at 57).

According to the Companies, their proposal does not assign all customers from a specific legacy rate class to the same proposed consolidated rate class (Exh. ES-RDP-1, at 58). The table below shows the number of legacy rate classes that move into a proposed consolidated rate class.

Legacy and Consolidated Rate Classes²⁰

Legacy Service Area	G-1 (Non-Demand)	G-1 (Demand)	G-2	G-3	G-4
Boston Edison	3	6	3	3	2
Cambridge Electric Light	3	6	4	4	1
Commonwealth Electric	3	9	9	5	1
WMECo	2	6	5	4	1
Total	11	27	21	16	5

The Companies proposed separate rates between NSTAR Electric's and WMECo's C&I rate classes, although the proposed distribution rates are based on a shared revenue requirement (Exh. DPU-56-9, at 1 (Supp.)). The Companies state that the revised rate

²⁰ Source: Exh. ES-RDP-1, at 59.

design generally results in lower costs assigned to WMECo's C&I customers

(Exh. DPU-56-9, at 5 (Supp.)).

i. Mitigation Proposal

Based on a bill impact analysis, the Companies proposed to phase-in the new consolidated C&I distribution rates annually over five years with a plan that, the Companies state, is designed to minimize bill impacts for the largest number of customers (Exhs. ES-RDP-1, at 62; DPU-63-6, at 5 (Supp. 1)). The Companies' proposal includes several components.

Based on the Companies' proposed distribution rate design, the Companies evaluated total bill impacts to determine whether the overall levels and patterns of bill impacts to some of the legacy rate class groups of customers moving to a new, consolidated rate class were consistent with the Department's rate design principle of continuity (Exh. ES-RDP-1, at 64). The Companies identified approaches to reduce bill impacts for those legacy rate classes with bill impacts contravening this principle (Exh. ES-RDP-1, at 64). For these "mitigation-designated" legacy rate classes, the Companies determined rules and specific measures to subsidize the bills of these customers from other customers within the same rate class (Exhs. ES-RDP-1, at 64, 69-71).

Eversource proposed three mitigation strategies: (1) targeted discount; (2) two-part rate; and (3) TOU Rate G-5 (Exh. DPU-63-6, at 4-7 (Supp. 1)). The Companies proposed to set a 15-percent bill impact threshold to the extent the annual bill increase is greater than or equal to \$360, or at a bill impact percentage that results in a \$360 annual increase, whichever

is greater, as the initial determinant of whether the legacy rate class grouping moving to a new, consolidated rate class would receive a subsidy (Exh. DPU-63-6, at 1 & n.2 (Supp. 1)).

The targeted discount strategy sought to cap the annual increases in total bills to customers in these legacy rate classifications during the phase-in period²¹ at 15 percent or \$360 per year, whichever is greater (Exh. DPU-63-6, at 4-5 (Supp. 1)). Eversource proposed to apply the targeted discount only to customers in a designated legacy rate class that would experience an increase more than the mitigation threshold (Exh. DPU-63-6, at 5 (Supp. 1)).

The Companies proposed the two-part rate mitigation approach to address bill impacts for NSTAR Electric legacy rate classes that they proposed to move into aligned Rate G-1 demand (Exh. DPU-63-6, at 6 (Supp. 1)). The proposed two-part rate includes only a customer charge and an energy charge, as opposed to Eversource's proposed Rate G-1 demand, which is a three-part rate and includes a demand charge (Exh. DPU-63-6, Att. (n) at 1 (Supp. 1)). Eversource proposes to make the optional two-part rate available only to customers taking service under legacy Cambridge Electric Light Company Rate G-0 and Rate G-5; and Commonwealth Electric Company Rate G-1, Rate G-1 Seasonal, and Rate G-4 (Exh. DPU-63-6, at 6 (Supp. 1)). Under the Companies' proposal, these customers may elect to be billed on either the NSTAR Electric aligned Rate G-1 demand or the two-part rate

²¹ The phase-in period may last up to five years, depending on the legacy rate class receiving the subsidy (Exh. DPU-63-6, at 5 (Supp. 1)).

(Exh. DPU-63-6, at 6 (Supp. 1)). Eversource states that it will determine, on an initial basis, which rate class option is optimal for each customer (Exh. DPU-63-6, at 6 (Supp. 1)).

Eversource proposed a third mitigation option for Boston Edison Company legacy Rate G-2 (Municipal) and Commonwealth Electric Company Rate G-7 customers that it proposed to transfer to NSTAR Electric's aligned Rate G-1 demand (Exh. DPU-63-6, at 7 (Supp. 1)). The Companies determined that these customers would be best served under the proposed optional TOU Rate G-5 (Exh. DPU-63-6, at 7 (Supp. 1)).

The Companies proposed to work closely with any customer that cannot avoid significant bill impacts through any of the Companies' mitigation strategies caused by the Companies' rate consolidation and alignment proposal (Exh. DPU-63-6, at 13-14 (Supp. 1)).

c. Bill Impacts

Eversource calculated bill impacts by capping the total proposed revenue increase at ten percent of total revenue for each rate class (Exh. ES-RDP-1, at 39). The Companies calculated total revenue at current rates under consolidated base distribution rates and pro forma reconciling and Basic Service rates (Exh. ES-RDP-1, at 39). Eversource imputed energy supply prices for customers on alternate supply using the Basic Service rate (Exh. ES-RDP-1, at 39). The Companies re-allocated total revenue for each rate class above the cap to all other rate classes that did not exceed the ten percent threshold test based on the rate class share of proposed base distribution revenue at equal rates of return (Exh. ES-RDP-1, at 39). Eversource re-evaluated the new revenue targets to determine if the ten percent threshold test had been met (Exh. ES-RDP-1, at 39). Moreover, Eversource

calculated the current, pro forma reconciling adjustment and Basic Service revenues using rates effective as of January 1, 2017 (Exh. ES-RDP-1, at 40). The Companies stated that test year pro forma revenue allows for the reflection of the proposed revenue increases taking place in the pension, storm, property tax, and basic service cost adjustment mechanisms (Exh. ES-RDP-1, at 40).

3. Attorney General's Proposal

The Attorney General proposed a rate design based on the results of a modified ACOSS used to set rate class revenue targets (Exh. AG-SJR-1, at 18). The Attorney General proposed to move residential rates towards a common customer charge, but to limit the increases to residential customer charges to no more than 1.5 times or no less than 0.5 times the class average increase (Exhs. AG-SJR-1, at 23; AG-SJR-AS-1, at 7).

The Attorney General proposed to retain the legacy C&I rate classes (Exh. AG-SJR-1, at 41). The proposal specifies that each rate component is increased by the same percentage as the revenue requirement increase for that legacy rate class (Exhs. AG-SJR-1, at 41; AG-SJR-AS-1, at 6; DPU-AG-1-7).

4. Positions of the Parties

a. Attorney General

i. Initial and Revised Proposals

The Attorney General maintains that both the Companies' initial and revised proposals do not meet the Department's rate continuity principle because Eversource has not demonstrated that its rate design changes are gradual and allow for customers to adjust to the

new structures (Attorney General Reply Brief at 2, citing Fitchburg Gas and Electric Light Company, D.T.E. 99-118, at 7, n.5 (2001)). Instead, the Attorney General contends that Eversource proposed “a radical redesign” of its rates that included “dramatic” increases to customer charges, both increases and decreases to consumption charges, and new demand charges for some customers (Attorney General Reply Brief at 2).

According to the Attorney General, the Companies’ initial rate design proposal does not meet the Department’s rate design goals and was intended to meet the Companies’ goal of easier administration of their rate schedules (Attorney General Brief at 10). The Attorney General claims that Eversource gave no weight to the impact that its rate design proposal had on residential customers (Attorney General Brief at 10). For example, the Attorney General asserts that the Companies have not justified their proposed 115-percent increase in the customer charge to Commonwealth Electric or the proposed 33-percent increase in the volumetric charge to Cambridge Electric Light, when, at the same time, Eversource proposed to increase total residential distribution revenues by only 14.5 percent (Attorney General Brief at 11). Further, the Attorney General asserts that the Companies’ proposal is unreasonable because 88 percent of the proposed revenue increase to the R-1 rate class for Commonwealth Electric comes from increasing the customer charge (Attorney General Brief at 12). Therefore, the Attorney General maintains that approximately 100,000 residential customers will experience bill impacts outside a reasonable range (Attorney General Brief at 12, citing Exh. AG-SJR-1, at 17). According to the Attorney General, the Companies’ proposal to consolidate NSTAR Electric’s and WMECo’s residential Rate R-1 and Rate R-2

caused these increases (Attorney General Brief at 12, citing Exh. AG-SJR-1, at 25). The Attorney General maintains that the Companies have not demonstrated that customer costs are the primary reason for the proposed rate increase (Attorney General Brief at 12, citing Exh. AG-SJR-1, at 27).

Regarding C&I customers, the Attorney General argues that the Companies' initial proposal contravenes the Department's fairness goal (Attorney General Brief at 13). The Attorney General alleges that of Eversource's 165,000 non-residential customers, approximately 105,000 would pay the same or less than their current distribution rates (Attorney General Brief at 13). Therefore, the Attorney General maintains that it is unfair to burden only 60,000 C&I customers with the cost of the entire increase (Attorney General Brief at 13). Further, the Attorney General argues that increases to those 60,000 customers range from a few percent to more than double (Attorney General Brief at 13, citing Exh. AG-SJR-1, at 39). Moreover, the Attorney General argues that the entire burden of WMECo's revenue increase falls onto 7,000 of WMECo's 17,000 C&I customers (Attorney General Brief at 13).

The Attorney General contends that a rate design proposal does not make sense that causes: (1) customers' bills to increase by 25 percent or more in a rate class where revenues are decreasing; (2) bills to decrease in a class where revenues are supposed to increase by up to 46 percent (Attorney General Brief at 14, citing Exh. AG-SJR-1, at 40). Therefore, the Attorney General recommends that the Department reject the Companies' initial rate design proposal (Attorney General Brief at 14).

The Attorney General contends that the Companies' revised rate design proposal is not based on the cost to serve a customer class or service area and shifts more than \$4 million from WMECo's customers to NSTAR Electric's customers (Attorney General Brief at 4, 14, citing Exh. AG-SJR-24; 14, 15; Attorney General Reply Brief at 3). Therefore, the Attorney General claims that the revised rate design is arbitrary and cannot be cost-based if the initial rate design proposal is cost-based (Attorney General Brief at 5, 14-15, citing Exh. AG-SJR-AS-1, at 2-3; Attorney General Reply Brief at 3, citing The Berkshire Gas Company, D.P.U. 92-210, at 202-203 (1993)).

In response to the Companies' assertion that the revised rate design proposal does not improperly shift costs to NSTAR Electric customers by combining NSTAR Electric and WMECo into a single revenue requirement, the Attorney General asserts that the Department has not authorized, and the Companies did not initially file their rate case using a combined revenue requirement (Attorney General Reply Brief at 3). Moreover, the Attorney General claims that the Companies stated in their revised proposal that the proposed merger would not affect rates in this case; however, the Attorney General maintains that the merger results in significant, adverse impacts to hundreds of thousands of customers in eastern Massachusetts (Attorney General Brief at 4; Attorney General Reply Brief at 4, citing Attorney General Brief at 3).

Moreover, the Attorney General notes the difficulty in reviewing the compliance filing if the Department approves the Companies' revised rate design proposal (Attorney General Brief at 15-16). The Attorney General recommends that the Department reject the revised

rate design proposal because it is not gradual, fair, or cost-based (Attorney General Brief at 16). Further, the Attorney General maintains that the revised rate design proposal does not meet the Department's efficiency principle – that rates should reflect the cost of providing service (Attorney General Reply Brief at 3).

ii. Bill Impacts

The Attorney General claims that the Companies' arguments regarding bill impacts are not based on record evidence and obscure actual bill impacts (Attorney General Reply Brief at 4, citing Companies Brief at 37-38). According to the Attorney General, the Companies provided bill impacts based on their initial rate design proposal and not their revised proposal (Attorney General Reply Brief at 4, n.2). Moreover, the Attorney General contends that the alleged bill impacts in the Companies' brief represent the impact for an average customer or the customer class as a whole (Attorney General Reply Brief at 4). The Attorney General maintains that the bill impact to an average customer is meaningless when measuring the impact of increasing a customer charge (Attorney General Reply Brief at 4). The Attorney General asserts that, rather than using an average customer's bill, it is more important to consider a lower-use customer's bill when evaluating the impact of increasing a customer charge (Attorney General Reply Brief at 5).

iii. Attorney General's Recommendation

According to the Attorney General, the Department should direct Eversource to move its rates closer to cost of service before achieving distribution rate consolidation (Attorney General Brief at 17). The Attorney General recommends that the Companies propose

consolidation after their distribution rates have grown closer together among the service territories (Attorney General Brief at 17, citing Exh. AG-SJR-1, at 21). According to the Attorney General, it would be unreasonable for the Department to allow residential customers' bills to change by more than 1.5 times and/or less than 0.5 times the class average increase given the Companies' mitigation proposals for other rate classes (Attorney General Brief at 12, 17, citing Exh. AG-SJR-1, at 23, 28-29, 34). The Attorney General maintains that her proposal moves distribution rates toward rate consolidation, while each class moves closer to cost of service, and is sensitive to other rate design goals (Attorney General Brief at 17). Therefore, the Attorney General recommends that the Department adopt her rate design proposal because it is based on cost of service and meets all rate design principles (Attorney General Brief at 18; Attorney General Reply Brief at 4).

b. Acadia Center

Acadia Center acknowledges that a certain degree of consolidation and alignment of rates is warranted, but contends that identical pricing and rate classes spanning the Companies' services territories contravene rate design principles and efficiency goal (Acadia Center Brief at 7). Acadia Center maintains that the issue of corporate structure should not take precedence over application of rate design principles when designing distribution rates (Acadia Center Brief at 7).

According to Acadia Center, the Companies currently maintain separate financial records for NSTAR Electric and WMECo, but intend to consolidate these into one set after the Department approves their merger (Acadia Center Brief at 9, citing Tr. 16, at 3218-3219,

3301- 3302). Acadia Center argues that the Companies should continue to maintain separate financial records for costs that are separate (e.g., substation investments) to use in preparing separate cost of service studies (Acadia Center Brief at 9, citing Tr. 16, at 3302).

Further, Acadia Center argues that the Companies' revised rate design proposal contravenes the Department's rate design principles (Acadia Center Brief at 8). Acadia Center maintains that the Companies' revised rate design proposal causes deliberate cross-subsidies because it ignores cost distinctions between WMECo and NSTAR Electric (Acadia Center Brief at 8). According to Acadia Center, distribution rates should reflect cost distinctions that can be and have been tracked separately for groups of customers (Acadia Center Brief at 8). Specifically, Acadia Center asserts that assigning WMECo's costs to NSTAR Electric, particularly NSTAR Electric's residential customers, to mitigate rate increases is inconsistent with the Department's rate design principles of efficiency and fairness (Acadia Center Brief at 8).

c. Cape Light Compact

i. Cost Allocation

Cape Light Compact argues that the Department should reject the Companies' revised rate design proposal and instead require the Companies to allocate base distribution revenue to NSTAR Electric and WMECo as proposed in the initial filing (Cape Light Compact Brief at 12). Cape Light Compact asserts that the Companies' revised rate design proposal unjustifiably and inequitably shifts a total of \$17.2 million in base distribution costs to NSTAR Electric residential customers (Cape Light Compact Brief at 13). Of this amount,

Cape Light Compact claims that the revised proposal shifts \$12.8 million in base distribution costs from WMECo residential and non-residential customers to NSTAR Electric residential customers (Cape Light Compact Brief at 16, citing Exh. CLC-JFW-Supplemental-1, at 6 (Table 1)). Cape Light Compact asserts that the revised proposal shifts an additional \$4.5 million in base distribution costs from NSTAR Electric non-residential customers to NSTAR Electric residential customers (Cape Light Compact Brief at 16, citing Exh. CLC-JFW-Supplemental-1, at 8).²²

Cape Light Compact argues that the revised rate design proposal results in NSTAR Electric residential customers paying for costs incurred to serve WMECo residential and non-residential customers (Cape Light Compact Brief at 16, citing Tr. 16, at 3300). Given that NSTAR Electric and WMECo have been separate corporate entities with distinct revenue deficiencies driven by distinct capital investment needs, Cape Light Compact argues that the revised rate design proposal, which allocates costs to customers on whose behalf NSTAR Electric or WMECo did not invest, contravenes the Department rate design principle of efficiency causation (Cape Light Compact Brief at 17; Cape Light Compact Reply Brief at 4-7). Additionally, Cape Light Compact claims that, as the Companies acknowledge, the revised proposal results in an unintended cost shift, causing NSTAR Electric residential customers to subsidize WMECo residential and non-residential customers as well as NSTAR Electric non-residential customers (Cape Light Compact Brief at 18, citing Tr. 16, at 3327, 3329; Cape Light Compact Reply Brief at 6). As such, Cape Light Compact argues that the

²² Numbers in this paragraph do not add due to rounding.

revised rate design proposal contravenes the Department's rate design principle of fairness (Cape Light Compact Brief at 13, 17). Finally, Cape Light Compact claims that the Companies' proposal to consolidate base distribution cost allocation is a significant change to their rate structure and results in significant impacts to Eversource customers (Cape Light Compact Brief at 20). Accordingly, Cape Light Compact argues that the revised rate design proposal contravenes the Department rate design principles of continuity and gradualism and should be rejected (Cape Light Compact Brief at 19-21).

Cape Light Compact reiterates that the consolidated ACOSS includes invalid and improper assumptions and results in rates that contravene the Department's rate design principle of efficiency (Cape Light Compact Reply Brief at 4-5). Cape Light Compact adds that the Companies' attempt to justify the consolidation of NSTAR Electric and WMECo by noting the corporate consolidation is not germane because the unified cost tracking applies to costs incurred going forward, not to the recovery of historical costs (Cape Light Compact Reply Brief at 5-7). Additionally, Cape Light Compact argues that the Companies' proffering of the consolidation of legacy NSTAR Electric territories Boston Edison, Cambridge Electric Light, and Commonwealth Electric as evidence for ignoring historical cost incurrence is also irrelevant, as it does not show that the cost structures did not justify differing rates when those rates were approved (Cape Light Compact Reply Brief at 7). Instead, Cape Light Compact argues that Eversource's comparison of differing charges across the legacy NSTAR Electric territories only shows that the rates were set based on separate revenue requirements when they were approved (Cape Light Compact Reply Brief at 7).

In conclusion, Cape Light Compact recommends that the Department reject the revised rate design proposal and allocate base distribution revenues as proposed in the Companies' initial filing, with separate revenue requirements for NSTAR Electric and WMECo (Cape Light Compact Brief at 28). Cape Light Compact adds that, should the Department order modifications to the cost allocation proposed in the Companies' initial filing in any way, it should reject any variation that allows Eversource to shift costs from WMECo solely onto NSTAR Electric residential customers (Cape Light Compact Brief at 28).

ii. Bill Impacts

Cape Light Compact asserts that Eversource's revised rate design proposal results in high total bill impacts to Commonwealth Electric customers (Cape Light Compact Brief at 67-68). Cape Light Compact claims that reassigning customers to new rate classes based on changes to the determination of demand and eliminating seasonal rates contributes to the high total bill impacts (Cape Light Compact Brief at 71).

Specifically, Cape Light Compact claims that Eversource has not sufficiently justified its choice of a three-month average demand to classify customers (Cape Light Compact Brief at 73-74). Cape Light Compact adds that this change significantly impacts small businesses with seasonal peak demand but overall low annual usage and would result in individual bill increases up to \$25,000 per year (Cape Light Compact Brief at 74, citing Exh. CLC-KFG-1, at 14). Cape Light Compact maintains that the high bill impacts resulting from the change in rate class definitions are inconsistent with the Department's rate design goals of continuity

and fairness (Cape Light Compact Brief at 74). Cape Light Compact recommends that the Department apply a twelve-month average demand to classify customers unless and until Eversource can prove another determination fairly reflects customers' overall usage and contribution to coincident peak demand (Cape Light Compact Brief at 79). Cape Light Compact adds that Eversource's defense of the three-month average uses a hypothetical example that belies the data on the record and, overall, does not satisfy its burden to demonstrate that the rate classifications result in just, reasonable, and nondiscriminatory rates (Cape Light Compact Reply Brief at 15-16).

Additionally, Cape Light Compact argues that the elimination of seasonal rates also contributes to the high total bill impacts (Cape Light Compact Brief at 71). Cape Light Compact explains that this proposal adversely affects Cape Cod and Martha's Vineyard customers and moves away from rates that are cost-based, promote efficient usage, and offer more pricing options to customers (Cape Light Compact Brief at 75, citing Exh. AC-ML-1, at 4). Cape Light Compact contends that Eversource's attempt to treat the Commonwealth Electric Company service territory as it treats other areas of Massachusetts with year-round economies is a step in the wrong direction (Cape Light Compact Brief at 75, citing Exh. AC-1-15). Cape Light Compact explains that the Commonwealth Electric Company service territory has a seasonal tourist economy and part-time residents who will be harmed by eliminating seasonal rates (Cape Light Compact Brief at 75, citing Exh. CLC-KFG-1, at 12, lines 9-12). Further, Cape Light Compact claims that Eversource's argument that the bill impacts are not significant ignores customers hurt by the elimination of seasonal rates

(Cape Light Compact Reply Brief at 16). Cape Light Compact concludes that the Department should ensure that the rates it approves in this proceeding do not result in sudden, adverse bill impacts for seasonal customers (Cape Light Compact Brief at 76).

Finally, Cape Light Compact argues that the revised rate design proposal is inconsistent with the statutory restrictions set out by Section 94I (Cape Light Compact Brief at 68). Cape Light Compact claims that Section 94I limits base distribution rate increases to no more than ten percent for each rate class (Cape Light Compact Brief at 69). Cape Light Compact argues that Eversource's interpretation of Section 94I instead applies a ten-percent cap to the total revenue increase for each rate class, including consolidated base distribution revenue, pro forma reconciling revenue, and basic service revenue (Cape Light Compact Brief at 69, citing Exh. ES-RDP-1, at 39). Cape Light Compact argues that capping rates using percentages of total revenue, as Eversource proposes, allows the degree of cross-subsidization and distribution rate increases permitted to vary substantially in different proceedings and among different companies depending on the amount of forecasted reconciling and basic service revenue (Cape Light Compact Brief at 69). Thus, Cape Light Compact maintains that, although the Department has previously approved the method Eversource proposes, allowing the distribution rate cap to rise and fall with the size of reconciling revenue and basic service revenue is inconsistent with Section 94I and undermines the Legislature's inclusion of an explicit numerical cap (Cape Light Compact Brief at 69-70). Cape Light Compact requests that the Department cap distribution revenue increases at ten percent and apply the ten-percent cap to each group of customers moving from one class to

another to avoid arbitrary rate class definitions (Cape Light Compact Brief at 70). Cape Light Compact adds that, although Eversource argues that adopting Cape Light Compact's interpretation of the cap would result in frequent rate cases, the Legislature, in fact, required more frequent rate filings when it amended Section 94 in 2012 (Cape Light Compact Reply Brief at 17).

iii. C&I Rate Mitigation

Cape Light Compact argues that Eversource did not file its mitigation plan in a timely manner, did not provide an effective plan to educate customers about their bill impacts, and did not propose sufficient rate relief to avoid excessive bill impacts (Cape Light Compact Brief at 76, citing Exhs. CLC-KFG-1, at 4; CLC-KFG-Supplemental-1, at 12). Cape Light Compact contends that Eversource's initial details regarding outreach and education plans for Commonwealth Electric customers moving between rate classes were insufficient because they did not provide important information such as how impacted customers would be identified, how and when they would be contacted, and what options Eversource would provide the customers (Cape Light Compact Brief at 76-77). Cape Light Compact asserts that the Companies' subsequent mitigation plan, filed July 25, 2017, was also deficient because a number of Commonwealth Electric Company customers would still experience serious bill impacts (Cape Light Compact Brief at 77, citing Exh. CLC-KFG-Supplemental-1, at 12). Cape Light Compact adds that the July 25, 2017 filing still does not have a detailed education plan (Cape Light Compact Brief at 78, citing Exh. CLC-KFG-1, at 2).

Cape Light Compact, thus, recommends that the Department direct Eversource to do the following: (1) submit a detailed education plan by January 1, 2019 that allows sufficient time for customers to be meaningfully educated about the rate changes in time to budget for them and/or install energy efficiency solutions; (2) mitigate adverse bill impacts for seasonal customers; (3) provide stronger mitigation discounts and/or more gradual increases for customers who would, under the Companies' mitigation plan, still face cumulative distribution rate increases of 25 percent or more over the next five years; (4) conduct targeted outreach by January 1, 2019 to individual customers who would face a cumulative distribution rate increase of 15 percent or more in the first two years after the proceeding; (5) provide an online bill calculator by January 1, 2019; and (6) work cooperatively with Cape Light Compact on mitigation measures, including sharing bill impact data to identify impacted customers (Cape Light Compact Brief at 79).

d. Cambridge

i. Consolidation and Alignment

Cambridge maintains that the Companies' initial and revised rate design proposals cause Cambridge Electric Light Company customers to experience "excessive" rate increases in 2018, followed by rate reductions in 2019 (Cambridge Brief at 12, 13, citing Exh. FEA-AMA-1, at 7). Cambridge alleges that the "up-and-down" approach is disruptive to customers because it sends erratic price signals and over-charges customers in 2018 (Cambridge Brief at 13, citing Exh. FEA-AMA-1, at 8). Therefore, Cambridge recommends

that the Department limit the 2018 rate increase to the otherwise applicable 2019 rate increase (Cambridge Brief at 13).

Moreover, Cambridge maintains that the revised rate design proposal does not meet the Department's rate design goals of efficiency and fairness (Cambridge Brief at 4).

According to Cambridge, billing customers to recover costs that Eversource incurred to serve other customers does not produce fair or efficient rates (Cambridge Brief at 4-5, citing Exhs. CLC-JFW-Supplemental-1, at 7-8; AC-ML-8, at 1-2). Cambridge alleges that the Companies' revised rate design proposal shifts \$17 million in costs to NSTAR Electric's residential customers from WMECo's customers (Cambridge Brief at 3, citing Exh. CLC-JFW-Supplemental-1, at 6-7). Cambridge maintains that the driver of this cost shift is Eversource's proposal to consolidate the revenue requirement and rate design for NSTAR Electric and WMECo customers (Cambridge Brief at 3, citing Exhs. ES-RDP-Rebuttal-1, at 15 (May 19, 2017); CLC-JFW-Supplemental-1, at 4-5).

Cambridge maintains that it is not appropriate to mitigate the rate increases to WMECo by increasing rates for NSTAR Electric customers (Cambridge Brief at 5).

Therefore, Cambridge asserts that the Department should reject the Companies' revised rate design proposal, except for the optional two-part rate that would be available to Cambridge Electric Light Company customers on legacy Rate G-0 and Rate G-5 (Cambridge Brief at 5 and 15, citing Exh. DPU-63-6 (Supp.) at 6-7). Cambridge recommends that the Department approve the two-part rate so that these customers can avoid bill impacts exceeding 50 percent (Cambridge Brief at 15, citing Exh. ES-RDP-2, Sch. RDP-4 (East) at 15, 25).

i. Revenue Increase Cap Allocation (Basic Service)

Cambridge maintains that the Companies' bill impact analysis used basic service prices from the first quarter of 2017 (Cambridge Brief at 14; Cambridge Reply Brief at 3). According to Cambridge, basic service prices are the highest in the first quarter, and therefore, not representative of annual basic service prices (Cambridge Brief at 14; Cambridge Reply Brief at 3). Further, Cambridge alleges that the first quarter basic service prices in 2017 were three-cents per kilowatt hour ("kWh") higher than the annual per-kWh price in 2016 and higher than the annual average basic service price for the last seven of eight years (Cambridge Brief at 14, citing Exh. ES-RDP-Rebuttal-1, at 17).

Cambridge argues that the selection of basic service prices used in the calculation of the total bill informs the magnitude of the percentage bill impact (Cambridge Brief at 14). Therefore, Cambridge alleges that a higher basic service price inflates the denominator in the bill impact calculation and leads to a lower percentage bill impact overall (Cambridge Brief at 14; Cambridge Reply Brief at 3). Cambridge provides as an example that the bill impact for the proposed consolidated Rate G-3 is 14.4 percent using the first quarter basic service price, but the bill impact increases to 17.2 percent using the 2016 annual average basic service price (Cambridge Brief at 14-15, citing Exh. NECEC-9-3, Att. at 28). Cambridge contends that the 17.2-percent bill impact is above the Companies' proposed mitigation threshold of 15 percent (Cambridge Brief at 14-15).

In response to Eversource's argument that first quarter 2017 prices are appropriate because they are the most current, Cambridge alleges that it is also important to use a price

that is representative of the projected time period (Cambridge Reply Brief at 3). According to Cambridge, the Companies calculate annual rate increases, not quarterly rate increases (Cambridge Brief at 3). Moreover, Cambridge argues that a quarterly price distorts the results because basic service prices vary in each quarter (Cambridge Reply Brief at 3). Therefore, Cambridge recommends that the Department direct Eversource to use the 2016 annual average basic service price in its bill impact calculations as to include all eligible customers to receive mitigation (Cambridge Brief at 15, citing Exh. TEC-JB-2, at 6; Cambridge Reply Brief at 3).

e. DOER

DOER argues that the Companies' initial rate design proposal drew concern from members of the Legislature, municipalities, and the business community due to the high bill impacts to customers in western Massachusetts (DOER Brief at 2, citing Letter from Berkshire Delegation to Chairwoman O'Connor (May 31, 2017)). According to DOER, the bill increases in western Massachusetts will have negative impacts on the region's economy (DOER Brief at 2, citing Letter from Berkshire Delegation to Chairwoman O'Connor (May 31, 2017)). Therefore, DOER recommends that the Department reject the Companies' initial rate design proposal (DOER Brief at 2).

While DOER recognizes that the Companies' revised rate design proposal reduces the number of customers that experience high bill impacts, DOER maintains that some C&I customers may still experience significant bill increases under the revised rate design proposal (DOER Brief at 2-3, citing Exh. DOER-4-2, Atts. (a)-(d), (f), (h), (j)). DOER also

maintains that the Companies' proposal is not clear whether some C&I customers will receive greater than 15-percent bill increases in multiple years (DOER Brief at 3). Therefore, DOER recommends that the Department scrutinize the Companies' revised rate design proposal to ensure that no individual customer will experience unreasonable bill impacts (DOER Brief at 3-4). DOER also recommends that the Department require more stringent mitigation strategies so that customers do not receive excessive bill impacts (DOER Brief at 4). While DOER defers to the Department's judgment, DOER suggests that the Department could direct the Companies to implement their rate design proposal more gradually, to evaluate whether each customer was assigned to the appropriate aligned rate class, and to collaborate with customers to deploy successful energy efficiency measures (DOER Brief at 4).

f. FEA

i. Revised Proposal

FEA argues that both the initial and revised rate design proposals result in unjustified rate impacts for the proposed Boston Edison Company consolidated Rate G-4 customers (FEA Brief at 5; FEA Reply Brief at 1). Further, FEA contends that the Companies' proposal for moving legacy Boston Edison Company Rate G-3 customers to aligned Rate G-4 contravenes the Department's rate design goals of efficiency, rate continuity, fairness, and earnings stability because it imposes a temporary increase in 2018 (FEA Reply Brief at 2). For example, FEA contends that legacy Rate G-3 Boston Edison Company customers would experience a rate increase in 2018 followed by a rate decrease in 2019, which FEA alleges is

not cost-based (FEA Brief at 5, 6; FEA Reply Brief at 1). FEA argues that the consolidated rates in 2019 are based on an ACOSS for the consolidated NSTAR Electric rate classes (FEA Brief at 6). Further, FEA asserts that the Companies have not shown that their cost to serve legacy Boston Edison Company customers will increase in 2018 and subsequently decrease in 2019 (FEA Brief at 6; FEA Reply Brief at 1).

FEA also argues that the Companies' ACOSS does not account for the differences in current revenues among NSTAR Electric's three legacy service territories because the Companies consolidate the three territories into one NSTAR Electric territory (FEA Brief at 8). Thus, FEA contends that the Companies' ACOSS does not provide a meaningful evaluation of Boston Edison Company's legacy Rate G-3 rate class's current revenue compared to the cost of service (FEA Brief at 8).

FEA argues that Eversource should provide customers with the same earnings stability that it requests by developing stable energy charges for its customers (FEA Reply Brief at 2). Therefore, FEA recommends that any increase in rates should be smoothed over the initial two years, and that these legacy Rate G-3 customers do not receive a rate increase in 2018 (FEA Brief at 6, 9; FEA Reply Brief at 2). FEA also recommends that the Department should allow legacy Boston Edison Company Rate G-3 distribution rates to remain unchanged in 2018 and should approve the distribution rate decrease for 2019 according to the Companies' proposal (FEA Reply Brief at 3).

Additionally, FEA alleges that the Companies acknowledge that legacy Boston Edison Company customers subsidize Cambridge Electric Light Company customers and

Commonwealth Electric Company customers (FEA Reply Brief at 2-3, citing Companies Brief at 50-51). FEA contends that these customers receive the same electric service from a fully-consolidated NSTAR Electric (FEA Reply Brief at 3). Thus, FEA argues that the Companies' proposal to increase 2018 rates followed by a decrease in 2019 further exacerbates the subsidy that Boston Edison Company customers provide to Cambridge Electric Light Company and Commonwealth Electric Company customers (FEA Reply Brief at 3, citing Exh. DPU-18-21, Att. (A2)).

Moreover, FEA argues that the 2018 increase for legacy Boston Edison Company customers funds the consolidation of rates (FEA Brief at 7). For example, FEA contends that legacy Commonwealth Electric Company customers taking service on Rate G-3 receive a rate decrease in 2018 that is less than the 2019 consolidated rate (FEA Brief at 6-7). Therefore, FEA contends that legacy Commonwealth Electric Company Rate G-3 customers receive favorable treatment that results in "unjustified economic harm" to legacy Boston Edison Company customers (FEA Brief at 7). As a result, FEA alleges that the Companies' proposal to consolidate rates conflicts with the Department's finding that merger-related costs cannot be collected from customers unless they are offset by merger-related savings (FEA Brief at 7, citing NSTAR/Northeast Utilities Merger, D.P.U. 10-170-B (2012)). Therefore, FEA recommends that any reduction to the proposed revenue requirement be used to offset negative bill impacts under the Companies' consolidation and alignment proposal (FEA Brief at 9).

ii. Attorney General's Proposal

FEA supports the Attorney General's recommendation to impose the 2018 revenue increases based on four separate ACOSS because it allows for all legacy-priced customers to be evaluated accurately according to cost of service (FEA Brief at 8). However, FEA contends that because the Attorney General does not support the Companies' 2019 rate consolidation proposal, legacy Boston Edison Company customers that FEA claims are already priced above other similarly-situated NSTAR Electric customers, would not receive an appropriate rate decrease in 2019 (FEA Brief at 8). Therefore, FEA does not support the Attorney General's proposal that no customer within a rate class receives no greater than 1.5 times or no less than 0.5 times the class average increase (FEA Brief at 8). FEA claims that the Attorney General's proposal is not consistent with the Department's rate design precedent (FEA Brief at 8, citing Exh. ES-RDP-1, at 42). Instead, FEA contends that the 200-percent cap on the Companies' average increase is consistent with Department precedent (FEA Brief at 8). If the Department adopts the Attorney General's recommended rate design, FEA argues that the Department should implement the 200-percent cap and provide customers that would have had a rate decrease under the Companies' consolidation plan with no rate increase instead (i.e., Boston Edison Company customers in Rate G-1/T-1, Rate G-2/T-2, and Rate G-3) (FEA Brief at 9, citing Exh. FEA-AMA-Surrebuttal-2).

g. NECEC

NECEC argues that the Companies' rate design consolidation proposals are not consistent with the Department's rate structure goals (NECEC Brief at 8, citing

Exh. AG-SR-1, at 3-4; NECEC Reply Brief at 3). NECEC contends that the Companies' argument that their proposal is consistent with the Department's rate structure goals because it is based on an ACOSS is not true because there are two steps in determining rate structure: cost allocation and rate design (NECEC Brief at 3, citing Companies Brief at 36; D.P.U. 15-155, at 384).

NECEC asserts that the Companies' proposed rate consolidation undermines rate continuity and gradualism, causes distressing bill impacts, and eliminates efficient rate designs (NECEC Brief at 3, 19). NECEC also asserts that the Companies' proposal to consolidate rates contravenes the Department's goal of rate continuity because it is not gradual and does not allow customers to adjust their consumption patterns (NECEC Brief at 14, citing Exh. AG-SJR-1, at 3-4; NECEC Brief at 15; NECEC Reply Brief at 3, citing Exh. AG-SJR-1, at 20-22, 36; NECEC Reply Brief at 4, citing D.P.U. 15-155, at 384). Further, NECEC argues that the Companies' rate consolidation proposal contravenes the rate structure goal of continuity because it causes an abrupt change of rate structures on rates that have been in place for decades (NECEC Brief at 14, citing Exh. AG-SJR-1, at 3-4). In addition, NECEC asserts that a year delay does not constitute gradualism especially when, as NECEC alleges, Eversource admits that it has maintained the existing rate structures for decades (NECEC Brief at 15; NECEC Reply Brief at 2, citing Exhs. ES-RDP-1, at 5; ES-RDP-Rebuttal-1, at 8 (May 19, 2017)). Therefore, NECEC alleges that it is not necessary for the Companies to consolidate and align their rates within two years, which

creates excessive bill impacts for many customers (NECEC Reply Brief at 2-3, citing Exh. AG-SJR-1, at 20-22, 36).

According to NECEC, the Companies' initial and revised rate design consolidation proposals result in "extraordinary and unreasonable" bill impacts and are arbitrary (NECEC Brief at 15, citing Exhs. AG-SJR-1, at 3-4, 24-36; CLC-PLC-1, at 13-15; NECEC Reply Brief at 2; NECEC Reply Brief at 4, citing Exh. AG-SJR-1, at 4, 23-25, 35-36, 39-40).

NECEC asserts that some C&I customers would experience bill impacts by very large percentages, and in some cases, more than 100 percent (NECEC Brief at 16, citing Exh. AG-SJR1, at 36). NECEC contends that the proposed rate design creates "winners and losers" based on legacy rate design (NECEC Brief at 15, citing Exh. AG-SJR-1, at 23-24). For example, NECEC alleges that some customers will experience bill increases of more than 25 percent while the customers' rate class receives a revenue reduction and conversely, some customers will experience bill decreases while the associated rate class revenue requirement increases (NECEC Brief at 16, citing Exh. AG-SJR-1, at 39-40). NECEC adds that residential customers will experience very different impacts caused by the increase to their customer charge and/or their consumption charges (NECEC Brief at 16, citing Exhs. AG-SJR-1, at 24-25, 31-33; CLC-PLC-1, at 6, 16; CLC-JFW-1, at 5-6). According to NECEC, these bill impacts are unreasonable and arbitrary (NECEC Brief at 16, citing Exh. AG-SJR-1, at 26-27). NECEC argues that Eversource should consolidate and align its rates more gradually so as to be more sensitive to customer bill impacts (NECEC Brief at 8, 17, citing Exh. AG-SJR-1, at 20). According to NECEC, Eversource did not provide

justification for its rate consolidation other than simplifying its rate offerings (NECEC Brief at 16-17, citing Exh. AG-SJR-1, at 36).

NECEC alleges that the Companies' proposed rate design does not improve efficiency and weakens price signals sent to customers (NECEC Reply Brief at 3, citing D.P.U. 15-155, at 383-384, 483). NECEC maintains that the Companies' rate design proposals will prevent customers from making future investments related to their energy costs, such as energy efficiency and on-site generation, and will shake the confidence of markets that allow private capital to flow into such projects (NECEC Brief at 19, citing Exhs. UMASS-RS-1, at 57-58; SREF-TW/MW-1, at 30-31; 1-MS-1, at 4-5; SREF-TW/MW-1 (Supp.) at 28; NEWT-1, at 7-10; TOB-DW-1, at 3; NECEC Reply Brief at 5, citing Exhs. TOB-DW-1, at 3, 8-12; SVEC-JR-1, at 3; 1-JWM-1, at 9-10; CVEC-CAW-2, at 4). Moreover, NECEC argues that the Department must consider impacts on the development of energy efficiency and on-site generation from any actions it takes regarding rate design (NECEC Reply Brief at 5, citing G.L. c. 164, §§ 141, 142).

Therefore, NECEC recommends that the Department reject Eversource's rate design consolidation and alignment proposal and retain all existing non-residential rate classes (NECEC Brief at 8; NECEC Reply Brief at 2). NECEC asserts that the Department's acceptance of the Companies' rate design proposal will impose excessive bill impacts on customers and may undermine the Commonwealth's energy policies (NECEC Reply Brief at 5).

h. TECi. Annual Base Rate Changes

While TEC supports rate consolidation in principle, TEC alleges that there are several problems with Eversource's rate design proposal (TEC Brief at 20, 21). Specifically, TEC maintains that some groups of customers, such as Boston Edison Company's legacy Rate G-3, will experience a rate increase in 2018 followed by a rate decrease in 2019 (TEC Brief at 5, 21). TEC argues that the 2018 increase is a merger integration cost that should be borne by the Companies (TEC Brief at 21, citing Exh. FEA-AMA-2, at 8-10). Further, TEC alleges that any rate increase for Boston Edison customers in 2018 is neither cost-based nor supported by the Companies' ACOSS (TEC Brief at 21; TEC Reply Brief at 9). According to TEC, rate consolidation and alignment should avoid cross subsidies within existing rate classes and erratic movements in rates (TEC Brief at 21; TEC Reply Brief at 9). Therefore, TEC argues that the Department should reject a rate design proposal that results in a rate increase in 2018 followed by a rate decrease in 2019 because that contravenes the Department's rate design goal of gradualism and sends erratic price signals to customers (TEC Brief at 5, 21).

ii. Revenue Increase Cap Allocation (Basic Service)

TEC maintains that the allocation of the final revenue requirement that the Department approves is subject to two caps: (1) a statutory ten-percent cap on the overall increase; and (2) the Department's cap that limits the increase to no more than double the average increase across all rate classes (i.e., a 200-percent cap on the distribution revenue increase)

(TEC Brief at 8). TEC asserts that the Department should direct Eversource to use a representative value for basic service for the purposes of determining either cap (TEC Brief at 8). TEC maintains that Eversource should use the twelve-month average of basic service prices in the cap allocation formula so that the Department's decision is based on accurate and realistic data to evaluate the allocation of the revenue requirement increase (TEC Brief at 8). TEC contends that using a representative twelve-month average of basic service prices will also more fairly determine the eligibility screening for bill mitigation for C&I customers (TEC Brief at 8). TEC argues that the Companies' data are unrepresentative and should not be used (TEC Brief at 8, citing Exh. TEC-JB-2, at 4-7).

According to TEC, the Companies used basic service prices of \$0.10165 per-kWh, \$0.11022 per-kWh, and \$0.10144 per-kWh for C&I customers in the West/Central Massachusetts, Northeast Massachusetts and Boston, and Southeast Massachusetts zones, respectively (TEC Brief at 9, citing Exh. TEC-JB-2, at 2). TEC argues that these basic service prices are not representative because they are at the high end of average annual prices experienced over the last several years (TEC Brief at 9, citing Exhs. TEC-JB-2, at 2-5; ES-RDP-Rebuttal-1, at 17). Accordingly, TEC maintains that the higher than average basic service prices skew the application of the ten-percent and 200-percent caps (TEC Brief at 9). TEC asserts that using higher basic service prices is unfair to many customers because it: (1) understates the magnitude of rate increase; (2) violates the purpose of cap allocation formula; and (3) improperly apportions a greater percentage of revenue requirement to C&I customers (TEC Brief at 9).

In response to the Companies' argument that basic service prices are trending upwards and it is more appropriate to use the most current prices, TEC maintains that Eversource should have used June 2017 basic service rates in its revised rate design proposal (TEC Reply Brief at 8). Instead, TEC asserts that the Companies are "cherry picking" the most favorable basic service prices for their bill impact calculations (TEC Reply Brief at 8).²³

For these reasons, TEC recommends that the Department reject the unrepresentative basic service prices that the Companies used in the cap allocation calculations (TEC Brief at 9; TEC Reply Brief at 7). TEC also recommends that the Department direct the Companies to use the twelve-month average basic service prices for the large C&I rate classes (TEC Brief at 4, 9; TEC Reply Brief at 7, 9).

i. UMass

UMass asserts that all of Eversource's rate design proposals share a common theme of placing the interests of its shareholders above the interests of its customers (UMass Brief at 10; UMass Reply Brief at 10). UMass argues that Eversource appears to have elevated the importance of earnings stability over the importance of balancing all of the Department's rate design goals (UMass Brief at 2).

UMass recommends that the Department initiate a separate process to consider new rate designs that would be compatible with the Commonwealth's public policies regarding the future of energy (UMass Brief at 1-2, 3, 12; UMass Reply Brief at 10). UMass contends

²³ Moreover, TEC alleges that basic service prices have been volatile, and winter basic service prices have been much higher than prices at other times of the year (TEC Reply Brief at 8).

that the adversarial process of a rate case is not the proper forum to investigate and evaluate material changes to rate design (UMass Brief at 12-13).

UMass asserts that the Department should consider, in this separate process, more fundamental adjustments to rate design that balance utility and customer interests, as well as interests among and between customers (UMass Reply Brief at 10). UMass maintains that the rate design that the Department adopts in this proceeding should be provisional and subject to any changes that are a product of any future process that the Department may initiate (UMass Brief at 14).

j. Vote Solar

Vote Solar maintains that in all decisions on rate design, the Department must “consider the impacts of such actions, including the impact of new financial incentives on the successful development of energy efficiency and on-site generation” (Vote Solar Brief at 18, citing G.L. c. 164, § 141). According to Vote Solar, the evidence that Eversource provided prevents compliance with this obligation (Vote Solar Brief at 2, 18, citing D.P.U. 15-155, at 458-459). Vote Solar argues that the Companies did not undertake analyses of effects of their rate design proposals, specifically small C&I demand charges, on incentives to reduce demand, achievement of the Companies’ or Cape Light Compact’s Three-Year Energy Efficiency Plan, or the deployment of distributed generation (Vote Solar Brief at 18, citing Exhs. VS-4-1; VS-4-2; VS-4-3; VS-4-4).

Vote Solar argues that customers are incentivized to reduce consumption through higher per-kWh charges (Vote Solar Brief at 19, citing Exh. VS-4-2). According to Vote

Solar, the Companies' proposed demand charges will lower the per-kWh distribution charges by as much as 60 percent for some customers (Vote Solar Brief at 19, citing Exh. VS-NP-RRD-1, at 6; Tr. 17, at 3514). Therefore, Vote Solar concludes that this scenario is a "serious cause for concern" for the Department (Vote Solar Brief at 19, citing D.P.U. 15-155, at 458-459).

k. WMIG

i. Initial and Revised Rate Design Proposals

WMIG asserts that the Companies' revised rate design proposal is more equitable than their initial rate design proposal and reflects fairness, stability, gradualism, and efficiency (WMIG Brief at 3, 4; WMIG Reply Brief at 3). According to WMIG, the revised rate design proposal results in less severe bill impacts to WMECo's C&I customers and is better overall for consumers than the Companies' initial rate design proposal (WMIG Brief at 5). Moreover, WMIG contends that the revised rate design proposal is consistent with the Companies' goals to unify Eversource's legacy companies in a fair and efficient manner (WMIG Brief at 5; WMIG Reply Brief at 4). WMIG maintains that the initial rate design proposal would have had a dramatic and negative impact on Berkshire County's economy (WMIG Brief at 6). WMIG contends that the revised rate design proposal protects C&I customers while not over burdening other customers (WMIG Brief at 6). WMIG notes, however, that the actual bill impacts will depend on the revenue requirement that the Department ultimately approves (WMIG Reply Brief at 4).

In response to the Attorney General's proposed rate design, WMIG agrees with the Companies that the Attorney General ignores the fact that customers' bills have multiple reconciling rates and that relying on simple percentages exaggerates bill impacts (WMIG Reply Brief at 4). Further, WMIG agrees with DOER's recommendation that the Department direct the Companies to apply additional mitigation to excessive bill increases gradually and predictably over time (WMIG Reply Brief at 4-5).

WMIG also maintains that the Companies' revised rate design proposal results in an increase in 2018 followed by a decrease in 2019 for some customers (WMIG Brief at 6; WMIG Reply Brief at 5). According to WMIG, this aspect of the proposal has negative impacts on both NSTAR Electric's and WMECo's customers (WMIG Brief at 6). WMIG asserts that a rate increase followed by a rate decrease sends customers an inconsistent rate signal (WMIG Brief at 6). WMIG argues that the Department should not allow the rate increase in 2018 because it contravenes the rate design goals of continuity and gradualism, and, in the alternative, WMIG suggests that a fair solution be found (WMIG Brief at 4, 6; WMIG Reply Brief at 5). Therefore, WMIG recommends that the Department adopt the Companies' revised rate design proposal with the modification recommended above (WMIG Reply Brief at 4-5, citing RR-DPU-50).

ii. Revenue Increase Cap Allocation (Basic Service)

WMIG argues that the Companies used a three-month basic service price at the most costly time of the year to calculate bill impacts (WMIG Reply Brief at 8). According to WMIG, the Companies' basic service price data are not representative of basic service prices

(WMIG Brief at 7). WMIG agrees with Cambridge and TEC that the Companies should use the twelve-month average of basic service prices for C&I customers for the statutory ten-percent cap allocation and the Department's 200-percent rule (WMIG Brief at 7, citing Exh. TEC-JB-2, at 5; WMIG Reply Brief at 7-8).

WMIG argues that basic service prices have a substantial effect on the percentage impact to a customer's bill, which affects the application of the statutory customer class bill impact cap (WMIG Reply Brief at 7). WMIG maintains that the Companies chose a higher basic service price that distorts their bill impact analyses (WMIG Reply Brief at 7). Further, WMIG asserts that C&I customers are allocated more than their fair share of the revenue requirement than appropriate under the application of the two caps (WMIG Brief at 7, citing Exh. TEC-JB-2, at 5). Therefore, WMIG maintains that using these basic service prices is unfair to many customers because this ingredient: (1) understates the magnitude of rate increase; (2) violates the purpose of cap allocation formula; and (3) improperly apportions a greater percentage of revenue requirement to commercial customers (WMIG Brief at 7). Moreover, WMIG agrees with Cambridge and TEC that the Companies' choice of basic service prices may ultimately exclude some C&I customers from receiving mitigation (WMIG Reply Brief at 7-8, citing Exh. TEC-JB-2, at 6).

According to WMIG, the "most recently effective rates" are the annual average basic service prices because these rates reflect the fluctuation of energy market prices making them more accurate (WMIG Reply Brief at 8, citing Fitchburg Gas and Electric Light Company,

D.P.U. 13-90 at 247 (2014)). Therefore, WMIG recommends that the annual average for 2016 be used for the calculation (WMIG Reply Brief at 8).

I. Companies

i. Initial and Revised Proposals

According to the Companies, the goal of their initial rate design consolidation proposal was to balance the Department's policy goals and rate design objectives (Companies Brief at 36). Further, Eversource contends that it complied with Section 94I by setting rates based on equalized rates of return by customer class as long as the resulting impact for any one customer class is not more than ten percent (Companies Brief at 36). The Companies allege they used total revenues to determine whether a customer class increase was greater than ten percent to account for impacts caused by changes in reconciling factors (Companies Brief at 36, citing Exh. ES-RDP-1, at 38). Eversource maintains that its proposed initial rate design results in reasonable bill impacts (Companies Brief at 37).

The Companies maintain that the Department should adopt their revised rate design proposal (Companies Brief at 28). Eversource maintains that its revised proposal is not arbitrary (Companies Brief at 48). According to the Companies, their revised proposal modified certain components of their initial proposal (Companies Brief at 48). Specifically, the Companies maintain that the overall structure of the rate design remained the same between the two proposals (Companies Brief at 49). Further, Eversource defends its use of a consolidated revenue requirement in its revised proposal by arguing that the Department approved the use of a consolidated revenue requirement in a National Grid rate case

(Companies Reply Brief at 9, citing Boston Gas Company, Essex Gas Company, and Colonial Gas Company each d/b/a National Grid, D.P.U. 10-55, at 2-3, 538, 544, 556-559 (2010)).

The Companies argue that their initial and revised proposed ACOSSs are fully supported and appropriately allocate the Companies' revenue requirement (Companies Reply Brief at 10). According to the Companies, their revised 2018 revenue targets by rate class are different from the 2018 revenue targets in the initial rate design proposal because the revised proposal is based on a legacy rate class ACOSS, while the initial proposal is based on consolidated and aligned rate classes (Companies Reply Brief at 10). Therefore, Eversource asserts that the Attorney General ignores the evidence with her argument that if the initial proposal was cost-based, then the revised proposal cannot be cost-based (Companies Reply Brief at 10).

The Companies maintain that FEA, TEC, and WMIG make an impractical recommendation that the Department should reject a component of the Companies' proposed revised rate design that causes distribution rates to increase temporarily in 2018 (Companies Brief at 29, 37-38). According to Eversource, the 2018 rate increase is a function of cost-based ratemaking to transition the legacy rate classes to the consolidated rate classes (Companies Brief at 29, 37, citing Exh. ES-RDP-Rebuttal-1, at 4 (August 22, 2017); DPU-56-9 (Supp.)). Moreover, Eversource argues that it would not recover its revenue requirement with 2018 rates unchanged (Companies Reply Brief at 37). The Companies assert that their approach in their revised rate design reduces mitigation in future years

(Companies Reply Brief at 29). Moreover, Eversource claims FEA's analysis of a Boston Edison Company Rate G-3 customer moving to proposed aligned Rate G-4 is misguided and not representative of the typical rate impact for customers in this rate class (Companies Reply Brief at 37). Therefore, the Companies maintain that the Department should reject FEA's argument that 2018 Boston Edison Rate G-3 rates should not be increased (Companies Reply Brief at 38).

In response to the Attorney General's argument that a large portion of the rate increase will impact a small group of customers, Eversource claims that the Attorney General uses selective analyses and ignores the total impact of all rate changes on a customer's bill (Companies Brief at 37; Companies Reply Brief at 3). Further, Eversource alleges that the Attorney General's rate design proposal is "overly simplistic" and ignores the reconciling rate component on a customer's bill (Companies Brief at 38; Companies Reply Brief at 3). For example, the Companies maintain that the Attorney General's calculation of a 115-percent increase for Commonwealth Electric residential customers is deceptive and unfair (Companies Brief at 38). Eversource asserts that the Attorney General does not acknowledge that an \$8.00 customer charge represents only six percent of an average customer's bill (Companies Brief at 38). Eversource claims that the Attorney General's reliance on simple percentage increases for each rate component exaggerates bill impacts and is misleading (Companies Reply Brief at 3). The Companies maintain that the Department judges the reasonableness of proposed rates by evaluating bill impacts based on the percent of total bills, because customers do not individually judge the reasonableness of a change in a singular rate

(Companies Brief at 38, citing Exh. ES-RDP-Rebuttal-1, at 3 (May 19, 2017); Companies Reply Brief at 3). Further, Eversource asserts that rate changes that result in large percentage increases, but small dollar increases, should also be considered reasonable (Companies Brief at 38, citing Exh. ES-RDP-Rebuttal-1, at 3 (May 19, 2017)).

Accordingly, the Companies maintain that the Attorney General's analyses do not demonstrate that the Companies' rate design proposal contravenes the rate design principles of continuity and gradualism (Companies Reply Brief at 3).

Moreover, the Companies argue that, although the Attorney General contends that the Companies' rate design proposals contravene the Department's rate design principles of continuity, fairness, and gradualism, the Attorney General does not describe any problems with continuity or gradualism caused by the Companies' revised rate design proposal (Companies Reply Brief at 2). According to Eversource, the Attorney General only claims that the revised rate design is not based on the cost of serving any customer class or service area (Companies Reply Brief at 2).

Further, the Companies maintain that they provided voluminous evidence supporting their revised rate design proposal with respect to continuity and gradualism (Companies Reply Brief at 4, citing Exhs. ES-RDP-2 (ALT1), Sch. RDP-9 (East); ES-RDP-2 (ALT1), Sch. RDP-9 (West); ES-RDP-3 (ALT1), Sch. RDP-3 (East); ES-RDP-3 (ALT1), Sch. RDP-3 (West); ES-RDP-4 (ALT1), Sch. RDP-3 (East); ES-RDP-4 (ALT1), Sch. RDP-3 (West); ES-RDP-4 (ALT1), Sch. RDP-4 (East); ES-RDP-4 (ALT1), Sch. RDP-4 (West); ES-RDP-4 (ALT1), Sch. RDP-5 (East); ES-RDP-4 (ALT1), Sch. RDP-5 (West); ES-RDP-4 (ALT1),

Sch. RDP-6 (East); ES-RDP-4 (ALT1), Sch. RDP-6 (West); ES-RDP-4 (ALT1), Sch. RDP-7 (East); ES-RDP-4 (ALT1), Sch. RDP-7 (West); DPU-63-6 (Supp.), Atts. (f)-(m)).

Eversource asserts that its five-year mitigation plan for C&I customers further supports its commitment to rate continuity and gradualism and will allow customers to adjust their load patterns (Companies Reply Brief at 4).

Moreover, the Companies argue that 98 percent of residential NSTAR Electric customers will not see a change in their rate structure, and WMECo residential customers will see very minimal changes in their rate structure (Companies Reply Brief at 5, citing Exh. ES-RDP-3 (ALT1), Sch. RDP-2 (East)). Eversource argues that, under its proposal, it will bill 86 percent of its C&I customers under “virtually the same” rate structure as their current rate structures (Companies Reply Brief at 5). According to the Companies, the 14 percent of C&I customers that will see a degree of change to their current rate structure are primarily those currently taking service on TOU rates (Companies Reply Brief at 5-6). Therefore, Eversource argues that its proposal maintains rate structures for the vast majority of customers while also addressing bill impacts through its mitigation proposal (Companies Reply Brief at 6).

Eversource contends that Cape Light Compact is not justified in its criticism that the Companies’ revised rate design: (1) unfairly shifts costs to NSTAR Electric customers; (2) unfairly shifts costs from non-residential customers to residential customers; and (3) contravenes the Department’s rate design principle of gradualism (Companies Brief at 49; Companies Reply Brief at 8). According to the Companies, their revised rate design

proposal combines the NSTAR Electric and WMECo cost of service into one revenue requirement (Companies Reply Brief at 8, citing Exh. ES-RDP-Rebuttal-1, at 13 (August 22, 2017)). The Companies argue that Cape Light Compact's purported cost shifts only compare base distribution revenue targets and do not account for all the rate changes that a customer would face as a result of the Companies' proposal (Companies Brief at 51). According to Eversource, the elimination of lost base revenue and the sharing of transmission costs across Eversource results in a \$17 million reduction to NSTAR Electric customers, while WMECo's costs will increase by \$4.7 million from changes in reconciling rates under the revised rate design proposal (Companies Brief at 51, citing RR-DPU-50, Atts. (e) at 17-18 and (f) at 9-14).

The Companies argue that treating NSTAR Electric and WMECo as a combined operating company is not arbitrary because the Companies already are operating as a single company in Massachusetts under the supervision of a common management team and shared services (Companies Brief at 49; Companies Reply Brief at 8, citing Exh. ES-RDP-Rebuttal-1, at 13 (August 22, 2017)). Eversource claims that maintaining separate revenue requirements based on the availability of historical test year costs does not represent a more appropriate allocation of costs (Companies Brief at 50).²⁴ Further, Eversource claims that if the Department approves legal consolidation of NSTAR Electric

²⁴ Eversource asserts that generally, under current rates, Boston Edison customers subsidize Commonwealth Electric and Cambridge Electric Light customers because the Companies maintained separate revenue requirements for the legacy NSTAR Electric Companies (Companies Brief at 51).

and WMECo, Eversource would financially consolidate its operations (Companies Brief at 49). Accordingly, the Companies maintain that budgeting would not be separate between the two legacy companies (Companies Brief at 49-50). Therefore, the Companies contend that it is appropriate for their customers to share costs incurred for providing service to them because the Companies currently incur costs that are shared across Massachusetts (Companies Brief at 49; Companies Reply Brief at 8-9, 11).

Eversource disagrees with the Attorney General's assertion that its 2018 revised rate design proposal is not cost-based and that there is no basis for a \$10 million shift to NSTAR Electric customers (Companies Reply Brief at 7, citing Attorney General Brief at 3).

Eversource maintains that its 2018 rate design proposal is based on a legacy rate class ACOSS (Companies Reply Brief at 7, citing Exhs. ES-RDP-Rebuttal-1, at 2-3 (August 22, 2017); DPU-18-21, Atts.; DPU-56-7, Atts.). According to the Companies, the difference in revenue allocation at equalized rates of return between their initial and revised rate design proposals is an increase of \$3.5 million to NSTAR Electric (Companies Reply Brief at 8, citing RR-DPU-50, Att. (f) at 66). The Companies note, however, that the approved revenue targets by rate class are never set at equalized rates of return because doing so would produce results that violate G.L. c. 164, § 94I and the Department's rules for rate design (Companies Reply Brief at 8).

Moreover, the Companies disagree with the Attorney General that it will be difficult for the Department to review the Companies' revised rate design compliance filing (Companies Brief at 48, 51). Eversource maintains that compliance includes six steps and

that the Department's review "can be accomplished in a straight forward and timely manner" (Companies Brief at 51-52, citing Exh. ES-RDP-Rebuttal-1, at 7-8 (August 22, 2017)).

ii. Section 94I

In response to Cape Light Compact's argument that the Department should apply the ten-percent cap in Section 94I to each group of customers moving from one class to another, Eversource claims that this rate structure treatment is contrary to Department precedent and statutory language (Companies Brief at 39-40, citing Cape Light Compact Brief at 70).

According to the Companies, the Department applies the ten-percent cap to the overall bill impact for each rate class (Companies Brief at 40, citing D.P.U. 14-150, at 397-398).

Further, Eversource argues that the statutory language does not indicate that the ten-percent cap be applied to individual customers, subsets, or subgroups of customers within a rate class (Companies Brief at 40, citing Exh. DPU-12-5).

Moreover, the Companies disagree with Cape Light Compact's argument that the Department should re-interpret Section 94I to mean that the ten-percent cap applies to the distribution increase to a customer class (Companies Brief at 40, citing Cape Light Compact Brief at 70). According to Eversource, this interpretation would limit the distribution revenue deficiency that any distribution company may claim and contravenes the earnings stability and continuity rate design principles (Companies Brief at 40). Further, the Companies argue that if a ten-percent cap is placed on the distribution increase, a company may not be made whole in any rate proceeding and may file base rate cases more frequently (Companies Brief at 40). Eversource contends that this scenario would result in financial

implications and may threaten the integrity of its operations (Companies Brief at 40). For these reasons, the Companies argue that the Department should reject Cape Light Compact's interpretation of Section 94I (Companies Brief at 40).

iii. Revenue Increase Cap Allocation (Basic Service)

According to the Companies, TEC's, WMIG's and Cambridge's arguments to adopt the average twelve-month basic service pricing for determining bill impacts and to cap rate increases on reply brief are flawed, confused, and not appropriate under current market conditions (Companies Brief at 41; Companies Reply Brief at 29, 38, 47-48). Eversource maintains that it used the most recent basic service prices in its calculations (Companies Brief at 41, citing Exh. ES-RDP-1, at 40). According to the Companies, current trends indicate that Basic Service prices are increasing (Companies Brief at 41). Therefore, the Companies assert that it is more appropriate to use the most current basic service prices to determine the cap on overall bill increases beginning in January 1, 2018 rather than using a twelve-month average when basic service prices were lower (Companies Brief at 41). Further, Eversource maintains that the Department has stated that to "conform to Section 20 of the 2012 Energy Act a utility must calculate the total revenues generated by each rate class using the most recently effective rates." (Companies Brief at 41-42, citing D.P.U. 13-90, at 247-248).²⁵

Moreover, Eversource maintains that the large C&I Basic Service fixed price for the first quarter 2017, which the Company used in its bill impact analyses for NSTAR Electric,

²⁵ In D.P.U. 13-90, the Department referred to An Act Relative to Competitively Priced Electricity in the Commonwealth as the 2012 Energy Act. Among other things, this Act established Section 94I. St. 2010, c. 209, § 20.

is consistent with the 2017 large C&I basic service prices for the year (Companies Reply Brief at 29, 38, 47-48). According to the Companies, the first quarter price that was used in bill impacts was greater than actual second quarter prices, but less than fourth quarter prices, and almost the same as third quarter prices (Companies Reply Brief at 29, 38, 47-48). Therefore, the Companies argue that there is no need to revise the Basic Service prices used in the bill impact calculations (Companies Reply Brief at 29, 38, 47-48). Accordingly, Eversource contends that its approach is consistent with Department precedent, and that the Department should reject these intervenors' recommendations (Companies Brief at 40-41).

iv. Availability Provisions

In response to Cape Light Compact's argument that a longer threshold than three months should be used to evaluate demand for C&I rate class availability, the Companies argue that Cape Light Compact's recommended twelve-month threshold for availability creates less homogenous rate classes (Companies Brief at 42). Eversource notes that a twelve-month threshold for rate classification means that a customer qualifies for a smaller C&I rate if there is one month that the customer's demand falls below the threshold (Companies Brief at 42). Eversource argues that significantly different customers could be grouped together using a twelve-month period, such as (i) one customer with eleven months of 500 kW and one month below 100 kW and (ii) another customer with 10 kW every month (Companies Brief at 42). According to Eversource, this scenario allows a large C&I customer with eleven months of 500 kW demand to take service on a smaller C&I rate class than appropriate (Companies Brief at 42). Accordingly, Eversource contends that a

three-month threshold more appropriately establishes the size of a customer and its requirements for service (Companies Brief at 42-43).

v. Seasonal Rates

Eversource disagrees with Cape Light Compact's recommendation that it should retain seasonal rates because of the tourism industry in Commonwealth Electric's service territory (Companies Brief at 43). Eversource maintains that its other service territories have successful seasonal tourism industries, and those customers do not need and/or take service on seasonal rates (Eversource Brief at 43). Further, the Companies allege that low-use seasonal customers will receive bill decreases or minimal increases (Companies Brief at 43, citing Exh. ES-RDP-2, Sch. RDP-9 (East)). According to the Companies, eliminating seasonal rates spreads cost recovery evenly over an annual period and is beneficial to these customers (Companies Brief at 43).

vi. Education Plan

Eversource maintains that there is a critical need to effectively communicate with its customers on the implementation of the proposals in this case (Companies Brief at 44; Companies Reply Brief at 25). According to the Companies, they developed a comprehensive communications and outreach plan prior to their filing in January (Companies Brief at 44; Companies Reply Brief at 25). Further, Eversource states its commitment to promote its energy efficiency programs to educate customers on savings strategies (Companies Brief at 44, citing Exh. DPU-12-12; Companies Reply Brief at 25). Eversource intends to further develop its communication and outreach plan after January 1, 2018,

because it cannot do so without knowledge of the Department's decisions in this proceeding (Companies Brief at 44; Companies Reply Brief at 25).

vii. Separate Proceeding

The Companies maintain that a separate proceeding to consider new rate designs, as UMass requests, is not necessary (Companies Reply Brief at 37). The Companies assert that there is adequate evidence in the current proceeding for the Department to issue a decision on rate design consistent with the rate design principles and the Commonwealth's policy goals (Companies Reply Brief at 37).

5. Analysis and Findings

a. Introduction

In ruling on the Companies' rate design proposals, the Department considers its rate structure goals: to achieve efficiency and simplicity as well as to ensure continuity of rates, fairness between rate classes, and corporate earnings stability. D.P.U. 15-155, at 455; D.P.U. 15-80/D.P.U. 15-81 at 294; D.P.U. 13-75, at 330; D.P.U. 12-25, at 444; D.P.U. 10-114, at 341.

b. Cost Allocation

The Department's long-standing policy regarding the allocation of class revenue requirements is that a company's total distribution costs should be allocated, to the extent possible, based on equalized rates of return. Boston Gas Company, D.T.E. 03-40, at 384 (2003); D.T.E. 02-24/25, at 256; The Berkshire Gas Company, D.T.E. 01-56, at 139 (2002); D.P.U. 92-210, at 214.

Eversource's 2018 revised rate design proposal is based on a multiple legacy rate class ACOSS using a consolidated revenue requirement; its 2019 rate design proposal is based on a consolidated and aligned rate class ACOSS using a consolidated revenue requirement (Exh. DPU-56-9, at 1 (Supp.); RR-DPU-49, Atts. (A)-(E), (J)). The Department approved the corporate consolidation of NSTAR Electric and WMECo in the D.P.U. 17-05 Order. D.P.U. 17-05, at 43-44. Moreover, the Companies already operated under the supervision of a common management team and incur costs on a shared basis (Exh. ES-RDP-Rebuttal-1, at 13 (August 22, 2017)). Accordingly, the Department agrees with the Companies that maintaining separate revenue requirements does not represent a more appropriate allocation of costs. Therefore, the Department finds it appropriate for the Companies to allocate a consolidated revenue requirement of the combined Companies for the purposes of designing base distribution rates.²⁶ The Companies' proposed allocation method satisfies the Department's rate structure goal of fairness.

Further, Section 94I provides:

In each base distribution rate proceeding conducted by the [D]epartment under [G.L. c. 164, § 94], the [D]epartment shall design base distribution rates using a cost-allocation method that is based on equalized rates of return for each customer class; provided, however, that if the resulting impact of employing this cost allocation method for any [one] customer class would be more than [ten percent], the [D]epartment shall phase in the elimination of any cross subsidies between rate classes on a revenue neutral basis phased in over a reasonable period as determined by the [D]epartment.

²⁶ See Schedule 10 below.

The ten-percent cap meets our rate structure goals of fairness and continuity by ensuring that: (1) the final rates to each rate class represent or approach the cost to serve that class; (2) the limited level of cost subsidization created by the cap will not unduly distort rate efficiencies; and (3) the magnitude of change to any one class is contained within reasonable bounds. D.P.U. 13-90, at 247; D.P.U. 13-75, at 362. The Department has interpreted the requirements of Section 94I such that no rate class shall receive an increase greater than ten percent of the total revenues generated by each rate class. D.P.U. 13-90, at 247; D.P.U. 13-75, at 338, 363. Further, the Department has found it appropriate to include cost increases associated with costs collected through reconciling mechanisms in the application of the ten percent cap, if those costs increases were included in the company's rate case filing. D.P.U. 14-150, at 398.

Eversource argues that the statutory language does not indicate that the ten-percent cap be applied to individual customers, subsets, or subgroups of customers within a rate class (Companies Brief at 40, citing Exh. DPU-12-5). The Department has not applied Section 94I in a rate case proceeding where a company has proposed to eliminate existing rate classes and create a new set of rate classes for its entire customer base. Eversource's interpretation of Section 94I assumes that the group of customers taking service in the future on the proposed consolidated rate classes actually were taking service on these proposed consolidated rate classes in the test year (Exhs. ES-RDP-2, Sch. RDP-4 (East); ES-RDP-2, Sch. RDP-4 (West); DPU-12-5). The Companies imputed "current revenue" using test billing determinants from the group of customers on the proposed consolidated rate class

(Exhs. ES-RDP-2, Sch. RDP-4 (East); ES-RDP-2, Sch. RDP-4 (West)). Then, the Companies calculated the difference between “current revenue” and proposed revenue based on the proposed consolidated rate classes (see Exhs. ES-RDP-2, Sch. RDP-4 (East); ES-RDP-2, Sch. RDP-4 (West)). This method is based on the incorrect premise that the group of customers is currently taking service on the proposed consolidated rate class (see Exhs. ES-RDP-2, Sch. RDP-4 (East); ES-RDP-2, Sch. RDP-4 (West)).

The Companies maintain that their interpretation of the application of Section 94I is accurate (Exh. DPU-12-5). However, the Companies’ interpretation results in some groups of customers transferring from legacy rate classes to the consolidated rate classes that, in reality, would experience an actual increase that is greater than Section’s 94I cap of ten percent (RR-DPU-50, Att. (a)-(b) (compare current revenue to 2019 revenue, or 2018 revenue to 2019 revenue)). For example, Cambridge Electric Light Company customers moving from legacy Rate G-5 to consolidated Rate G-1 (non-demand) would be subject to a 16-percent total (class) revenue increase; Cambridge Electric Light Company customers moving from legacy Rate G-3 to consolidated Rate G-1 (demand) would be subject to a 35-percent total (class) revenue increase; Commonwealth Electric Company customers moving from legacy Rate G-4 to consolidated Rate G-1 (demand) and Rate G-2 would be subject to a 23-percent total (class) revenue increase and a 54-percent total (class) revenue increase, respectively; and Commonwealth Electric Company customers moving from legacy Rate G-6 to consolidated Rate G-3 would be subject to a 27-percent total (class) revenue increase (RR-DPU-50, Att. (b)). The Department finds that this result, with the confluence

of legacy rate classes and consolidated rate classes, does not comply with Section 94I.

Therefore, we find that the ten-percent cap shall apply to each group of customers currently on a legacy rate that are moving to the same aligned/consolidation rate.

Further, with respect to the application of Section 94I to reconciling rate revenue, the Department has stated that, for the Department to incorporate reconciling rate revenue updates into a rate design, we would be compelled to choose between (i) revenues generated from existing rates that soon will change and will no longer be representative and (ii) future revenues that cannot be determined with any level of precision. D.P.U. 13-75, at 357. The Department did not permit a company to update test year reconciling rate revenues for post-test year changes in reconciling rates outside the base rate case filing, since costs recovered through reconciling mechanisms are volatile and change frequently.

D.P.U. 13-75, at 355. A company's rate design that results from a base distribution rate proceeding establishes long-term rate changes and should not encompass reconciling rate revenues that change annually or semi-annually. D.P.U. 13-75, at 355. The Department determined that including changes in reconciling rate revenues in rate design is not practical due to the frequency of a company's updates to its reconciling mechanism factors.

D.P.U. 13-75, at 355.

Cambridge, TEC, and WMIG do not propose updates to the Basic Service prices used in the calculation of the ten-percent cap while the rate case proceeding is ongoing. Instead, Cambridge, TEC, and WMIG recommend the use of an annual average of Basic Service prices to determine total revenue that is subject to the ten-percent cap. Because Basic

Service prices change quarterly for some C&I customers and bi-annually for other customers, the Department finds that using the average annual basic service prices is a more representative value to determine the portion of Basic Service revenue in the calculation of the ten percent cap. Accordingly, the Department directs the Companies, in compliance with this Order, to use the annual average Basic Service prices for all rate classes to determine total revenue in the calculation of the ten-percent cap.²⁷

c. Consolidation and Alignment

A utility's rate structure comprises the level and pattern of prices charged to specific customers for the use of utility services. D.P.U. 10-55, at 556. The specific rate structure of each rate class is a function of the cost to the utility of providing service to the rate class and of the design of rates calculated to recover the cost. D.P.U. 10-55, at 556. Rate classes are established based on the costs of serving different groups of customers. Boston Edison Company, D.P.U. 84-236-A, at 11 (1986).

To determine if the proposed rate consolidation should be allowed, we must consider whether it is consistent with our rate structure goals of simplicity, efficiency, continuity, fairness, and earnings stability. D.P.U. 10-55, at 556. Further, to ensure that our goals of efficiency, fairness, and earnings stability are not contravened, we will examine if the classes that are proposed to be consolidated have similar load characteristics. D.P.U. 10-55, at 556. Finally, we will examine bill impacts at the rate class level to determine if our continuity goal is met. D.P.U. 10-55, at 556.

²⁷ See Schedule 10 below.

Consolidating rates will simplify Eversource's rate structure and, therefore, we find that it meets our simplicity goal (see, e.g., Exhs. ES-RDP-1, at 6-7, 54; DPU-18-6; RR-DPU-51, Att. (c) at 13-30). The proposed consolidation of rates across the Companies' service areas fully consolidates residential rates and begins Eversource's process to eventually consolidate the C&I rates of all its Massachusetts electric operations into a single set of rates. Eversource's reorganization efforts started to move in this direction with the consolidation of its reconciling rate filings submitted to the Department. See, e.g., NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy, D.P.U. 15-122 (grid modernization plan); NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy, D.P.U. 17-157 (annual reconciliation filing). Further, the Department approved the consolidation of their Terms and Conditions in the D.P.U. 17-05 Order. D.P.U. 17-05, at 729. As such, consolidation of Eversource's rates and tariffs represents a logical continuation of its reorganization efforts and would increase both administrative efficiency and customer understanding of the Companies' rate structure. D.P.U. 10-55, at 557.

In determining whether to allow the Companies to consolidate classes, the Department must consider whether the customers served by these rate classes have similar cost patterns. Commonwealth Electric Company, D.P.U. 88-135/151, at 199-200 (1989). In Boston Edison Company, D.P.U. 1720 (1984) at 136, the Department stated:

The primary consideration in developing rate classes is that, given the cost-effective means of measuring demand and use, individual customers must be grouped so that the rates they pay are reasonably representative of the costs of serving them (fairness),

and that the rate structure which does this remain simple enough to promote efficiency. The costs incurred in serving customers are essentially a function of the voltage level at which they are served and the times at which they demand electricity.

Accordingly, a rate class is a group of electric company customers with similar costs of service, which are primarily a function of customer load characteristics and voltage level.

D.P.U. 88-135/151, at 199-200; D.P.U. 84-236-A at 11. The costs of serving, for the purposes of determining rate classes, are: (1) marginal costs unitized by function and classification; and (2) embedded costs, also on a unitized basis. D.P.U. 88-135/151, at 200.

The Department previously has held that rate classes may be consolidated when unit embedded and marginal costs do not differ significantly among individual rate classes.

D.P.U. 88-135/151, at 200; Cambridge Electric Light Company, D.P.U. 87-221-A at 125 (1988); Colonial Gas Company, D.P.U. 86-27-A at 72-73 (1988); New England Telephone and Telegraph Company, D.P.U. 1731-C at 22-25 (1987); Boston Edison Company, D.P.U. 85-266-A/85-271-A at 236 (1986).

In the past, Department relied on marginal cost pricing to set rates. However, it is the Department's current ratemaking preference to set prices based on embedded costs to encourage energy efficiency, rather than base distribution rates based on the results of a marginal cost study (see Exhs. DPU-12-19; DPU-18-2). D.P.U. 15-155, at 473-490; D.P.U. 15-80, at 317-325. Therefore, the Department will compare unit embedded costs among various existing rate classes. A comparison of unit embedded costs between existing rate classes is used to determine whether a rate consolidation would result in the unfair subsidization of one class at the expense of another class.

i. Residential Rate Consolidation and Alignment

Based on these considerations, the residential unit embedded costs were derived from the Companies' ACOSS, below.

Residential Embedded Costs²⁸

	Boston Edison Company	Cambridge Electric Light Company	Commonwealth Electric Company	WMECo	Consolidated Rate Class
Consolidated Residential (Rate R-1/R-2)	R-1/R-2/R-4	R-1/R-2/R-5	R-1/R-2/R-5/R-6	R-1/R-2	R-1/R-2
\$demand/kWh	0.0495	0.0479	0.0455	0.0431	0.0462
kWh	3,722,940,960	178,464,144	1,835,322,337	1,088,393,372	6,825,120,813
Percent difference from consolidated class	7.14	3.68	-1.52	-6.71	
Consolidated Residential Heating (Rate R-3/R-4)	R-3/R-2	R-3/R-4/R-6	R-3/R-4	R-3/R-4	R-3/R-4
\$demand/kwh	0.0586	0.0770	0.0574	0.0528	0.0550
kWh	441,337,021	11,990,613	237,632,544	222,331,736	913,291,914
Percent difference from consolidated class	6.55	40.00	4.36	-4.00	

²⁸ Source: RR-DPU-49, Atts. (B)-(E), (J).

The Department finds that the differences in unit embedded costs among Boston Edison Company's, Cambridge Electric Light Company's, Commonwealth Electric Company's, and WMECo's residential customer classes are within an acceptable range, and that the consolidation of these rate classes does not contravene the Department's rate design goals. D.P.U. 88-135, at 201-202. Accordingly, the Department allows the Companies' proposed consolidation of its residential distribution rates across all four legacy companies.

The Department, however, is concerned with the difference in unit embedded costs between the Cambridge Electric Light Company's residential heating rate classes and the consolidated residential heating rate class. Since the embedded cost of serving Cambridge Electric Light Company customers is higher than that of other customers, consolidation would lead to the subsidization of Cambridge Electric Light Company's customers at the expense of the remaining residential customers. However, Cambridge Electric Light Company's residential heating consumption represents approximately only 1.3 percent of total residential electric heating load. Therefore, the Department finds that any subsidization would be minimal. Further, the Department finds that the differences in unit embedded costs among Boston Edison Company's, Cambridge Electric Light Company's, Commonwealth Electric Company's, and WMECo's residential heating rate classes are within an acceptable range, and that the consolidation of these rate classes does not contravene the Department's rate design goals. D.P.U. 88-135, at 201-202. Accordingly, the Department allows the Companies proposed consolidation of its residential heating distribution rates across all four legacy companies.

Additionally, 98 percent of NSTAR Electric's residential customers will not see a change in their rate structure, and WMECo's residential customers will see very minimal changes in their rate structure as a result of rate consolidation (Exhs. ES-RDP-3 (ALT1), Sch. RDP-2 (East); ES-RDP-3 (ALT1), Sch. RDP-2 (West)). In addition, the Department has examined the class bill impacts resulting from the proposed rate increase assuming rate and revenue requirement consolidation (RR-DPU-50, Att. (a); RR-DPU-50, Att. (e) at Exhs. ES-RDP-2 (ALT1), Sch. RDP-4). The consolidated rate classes were capped using the statutorily mandated ten percent on total revenue increase and with the use of the 200-percent distribution rate cap (Exhs. ES-RDP-2 (ALT1), Sch. RDP-4). We find that the class bill impacts created by the consolidation of Eversource's residential rates satisfy our rate continuity goal. Therefore, we find the bill impacts resulting from the consolidation to be within an acceptable range.

Moreover, although the Companies proposed to implement consolidated residential rates for effect January 1, 2019, the Companies acknowledge that it is capable of implementing the change for residential rates effective February 1, 2018 without any adverse bill impacts to customers (Tr. 17, at 3478-3479). Further, the Companies' initial rate design proposal provided for the implementation of aligned residential rate changes only once, effective January 1, 2018 (Exh. ES-RDP-1, at 49). Accordingly, the Department directs the Companies to implement consolidated residential rates for effect February 1, 2018.²⁹ In

²⁹ In approving the Companies' proposal to consolidate its residential rates, the Department allows the Companies' to eliminate residential inclining block rates,

doing so, the Department directs the Companies to rely on the target revenue for Rate R-1/Rate R-2 and Rate R-3/Rate R-4 using the results of the consolidated ACOSS (RR-DPU-49, Att. (J)). The Department will evaluate continuity of the rate design and consider specific bill impacts in Section IV.K below.

ii. C&I Rate Consolidation and Alignment

Based on the considerations above, the Department evaluates C&I unit embedded costs derived from the Companies' ACOSS for customers moving to aligned Rate G-1, for simplicity, below.

C&I Embedded Costs³⁰

Legacy Company	Legacy Rate Class	Demand (\$/kWh)	Percent Difference
Boston Edison Company	G-1/T-1	0.0311	-9.89
	G-2/T-2	0.0332	-3.61
	G-3	0.0207	-39.90
Cambridge Electric Light Company	G-0/G-1/G-6	0.0326	-5.32
	G-2	0.0304	-11.91
	G-3	0.0238	-30.87
	G-4	0.0257	-25.38
	G-5	0.0633	83.54
Commonwealth Electric Company	G-1/G-7	0.0387	12.17
	G-2	0.0307	-10.99
	G-3	0.0251	-27.20
	G-4	0.0457	32.47
	G-5	0.0665	92.93
	G-6	0.0542	57.36
Proposed Aligned Rate	G-1 EMA	0.0345	

residential seasonal rates, residential optional TOU rates, and residential controlled water heating rates.

³⁰

Source: RR-DPU-49, Atts. (B)-(E), (J).

The Department is concerned with the difference in unit embedded costs between the legacy rate classes and NSTAR Electric's proposed aligned Rate G-1, which vary between negative 40 percent and 93 percent.

Further, the Department must find that, pursuant to Section 94, the Companies' proposed consolidated C&I tariffs are consistent with the public interest. D.P.U. 13-90, at 265; D.P.U. 09-39, at 302; Aquarion Water Company of Massachusetts, D.P.U. 08-27, at 189 (2009). One component of this standard, applicable to tariff construction, requires that a proposed tariff have sufficient detail to explain the basis for the rate to be charged for the offered service. Boston Gas Company, D.P.U. 92-259, at 47-48 (1993); Dedham Water Company, D.P.U. 13271, at 10 (1961). According to the Companies' mitigation plan, only certain customers that Eversource deems eligible will receive a mitigation discount. The Companies analyzed all C&I customers with twelve months of 2015 billing data³¹ in the billing database to design their revised mitigation plan and to determine which customers were eligible to receive a mitigation discount (Exh. DPU-63-6, at 2 n.4 (Supp.)). According to the Companies' analysis, 790 NSTAR Electric and 79 WMECo C&I customers would experience pre-mitigation monthly bill impacts of greater than 15 percent or \$360 (Exh. DPU-63-6, at 2 (Supp.)). Further, specific customers within a legacy rate class that Eversource deemed eligible for a proposed mitigation discount would be assigned a rate code

³¹ Eversource stated that it did not anticipate significant changes to the 2015 billing determinants for customers that were included in its analysis (Exh. DPU-68-4). However, Eversource stated that it intended to perform an additional review of accounts as of September 1, 2018 to ascertain whether or not there are additional accounts in need of mitigation that were not previously identified (Exh. DPU-68-4).

for the discount (Exh. DPU-68-1). For example, the Companies determined that certain Boston Edison Rate T-2 customers moving to aligned Rate G-1 Demand are eligible to receive a discount of 14.5 percent on their demand and energy charges in 2019 (Exhs. DPU-63-6, Att. (c) at 3 (Supp.1); DPU-68-1). Eversource plans to establish a new rate code for aligned Rate G-1 Demand in its billing system to determine which customers are assigned to the 14.5-percent discount (Exh. DPU-68-1). Those customers who are not mitigation eligible would be assigned a different rate code under the aligned Rate G-1 Demand (Exh. DPU-68-1). Eversource's proposed Rate G-1 tariff does not identify a rate code for each legacy rate class that Eversource determines is eligible for a discount (RR-DPU-51, Att. (c) at 13-16). Therefore, the Department finds that the Companies' proposed tariffs do not provide sufficient detail to explain the basis by which customers are mitigation eligible and under which rate or discount that they will be charged.

Moreover, absent the Companies' mitigation plan, some C&I customers would experience bill impacts of more than 100 percent (RR-DPU-50, Att. (g) at Exhs. ES-RDP-4 (ALT1), Sch. RDP-4 (East), at 7, 15, 27, 29, 39, 41, 43; ES-RDP-4 (ALT1), Sch. RDP-5 (East), at 17; ES-RDP-4 (ALT1), Sch. RDP-6 (West), at 1). While the mitigation plan proposes to phase in large increases to some customers, these customers still will incur successive bill increases for up to five years, of over 100 percent of their current rates. Further, Eversource's proposed mitigation plan sets out a series of discounts for different legacy rate classes that will change annually for five years. The Companies' proposal does

not include annual filings or any other means for the Department to evaluate the annual mitigation discounts other than the preapproval of the plan in this case (Exh. DPU-18-9).

Based on the disparity in the embedded costs, our findings regarding the allocation of the revenue requirement increase to certain legacy rate classes above the Section 94I ten-percent cap, and our findings above regarding tariff design and mitigation, the Department declines to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Accordingly, the Department finds in the instant case that the legacy C&I rate classes shall remain in place for rates effective February 1, 2018.³²

The Department recognizes and supports the Companies' commitment to balance the Department's rate design principles in their rate design consolidation and alignment proposal, and generally supports the goal of consolidating Eversource's C&I rate structure. In the long-run, customers will benefit from rate consolidation and alignment because it will give the Companies greater flexibility to address policy goals and customer needs on a modernized electric service offerings, while also making it easier for customers to understand the charges and costs represented on their bills (Exh. DPU-18-14). However, the Department cannot ignore our obligation to balance rate design principles of simplicity, fairness, and continuity

³² Therefore, with our approval of C&I rates only for effect February 1, 2018, the Department will not address Cambridge's, FEA's, WMIG's, and TEC's argument regarding erratic base distribution rate changes, where the 2018 rate would have been higher than the 2019 rate, because the Department has approved the C&I rates only for effect February 1, 2018. Further, Cape Light Compact's arguments regarding availability provisions and the retention of seasonal rates are rendered moot with the Department's decision to not approve Eversource's proposal to align and consolidate C&I rate classes at this time.

in achieving this consolidation/alignment goal. Therefore, the Department directs the Companies to undertake a gradual implementation of a consolidated and aligned rate design for C&I customers to ameliorate large bill impacts without a multi-year subsidy plan, to improve unclear tariffs, and to comply with Section §94I. The Department encourages Eversource to provide for a more gradual plan for consolidation and alignment either through its next general rate filing or through a revenue neutral rate design filing(s). The Department directs the Companies to focus on customer bill impacts and to ensure that any proposed rate design is transparent.

iii. Street Lighting

Based on these considerations, the street lighting unit embedded costs were derived from the Companies' ACOSS, below.

Street Lighting Embedded Costs³³

Company	Rate Class	Demand (\$/kWh)	Percent Difference
Boston Edison	SL	\$0.03390	-7.88%
Cambridge Electric Light	SL	\$0.03560	-3.26%
Commonwealth Electric	SL	\$0.03560	-3.26%
Proposed Aligned Rate	EMA SL	\$0.03680	
WMECo	SL	\$0.03430	9.91%
Proposed Aligned Rate	WMA SL	\$0.03770	

The Department finds that the differences in unit embedded costs between Boston Edison Company's, Cambridge Electric Light Company's, and Commonwealth Electric

³³ Source: RR-DPU-49, Atts. (B)-(E), (J)

Company's street lighting rate class, and the proposed aligned rate street lighting class are within an acceptable range. Further, the Department finds that the difference in unit embedded cost between WMECo's street lighting rate class, and the proposed aligned rate street lighting class are within an acceptable range. Therefore, the Department finds that the consolidation of these rate classes for NSTAR Electric and WMECo does not contravene the Department's rate design principles. See D.P.U. 88-135, at 201-202. Accordingly, the Department allows the Companies to consolidate its street lighting distribution rates across all four legacy companies.

Moreover, although the Companies proposed to implement consolidated street lighting for effect January 1, 2019, the Companies acknowledge that they are capable of implementing the change for rates effective February 1, 2018 without any adverse bill impacts to customers (Tr. 17, at 3480). Further, the Companies' initial rate design proposal provided for implementation of aligned street lighting rate changes only once, effective January 1, 2018 (Exh. ES-RDP-1, at 49-50). Accordingly, the Department directs the Companies to implement consolidated street lighting rates for effect February 1, 2018. In doing so, the Department directs the Companies to rely on target revenue for street lighting using the results of the consolidated ACOSS (RR-DPU-49, Att. (J)). The Department will evaluate continuity of the rate design and consider specific bill impacts in Section IV.K below.

d. Conclusion and Directives

In setting revenue targets for the legacy C&I rate classes, the Department directs Eversource, in its compliance filing, to rely first on its consolidated ACOSS to determine the residential rate class and street lighting revenue targets at equalized rates of return, before the application of the ten-percent and 200-percent caps (see RR-DPU-50, Att. (e), at Exh. ES-RDP-2, Sch. RDP-4). The Department directs Eversource to allocate the remaining revenue requirement at equalized rates of return to its legacy C&I rate classes using the same method that the Companies proposed in their revised rate design proposal (RR-DPU-50, Att. (f), at Exhs. ES-RDP-3 (ALT1), Sch. RDP-4, at 1 (East); ES-RDP-3 (ALT1), Sch. RDP-4 (West)).³⁴ The Department addresses rate class specific bill impacts for C&I legacy rate classes in Section IV.K below.

The Department's long-standing policy regarding the reallocation of class revenue requirements that exceed a cap is that revenue should be allocated to those rate classes that do not exceed the cap on the basis of their distribution revenue requirements at equalized rates of return. D.T.E. 03-40, at 384; D.T.E. 02-24/25, at 256; D.T.E. 01-56, at 139; D.P.U. 92-210, at 214. Moreover, the Department recently directed National Grid and Fitchburg Gas and Electric Light Company to allocate the revenue requirement in excess of the ten-percent rate cap to those rate classes that did not exceed the cap on the basis of their distribution revenue requirements at equalized rates of return instead of test year distribution revenues. D.P.U. 15-155, at 392-393; D.P.U. 15-80/D.P.U. 15-81, at 302. For these

³⁴ See Schedule 10 below.

reasons, and to advance the rate goals of fairness and efficiency, the Department directs Eversource in its compliance filing to allocate the approved revenue requirement that exceeds the ten-percent rate cap to those rate classes that did not exceed the cap on the basis of their distribution revenue requirements at equalized rates of return, consistent with the Companies' revised rate design proposal (see RR-DPU-50, Att. (e)-(f) at Exhs. ES-RDP-2 (ALT1), Sch. RDP-4; ES-RDP-3 (ALT1), Sch. RDP-4 (East); ES-RDP-3 (ALT1), Sch. RDP-4 (West)).

The Department notes that allocating the revenue requirement that exceeds the ten-percent rate cap based on revenue requirements at equalized rates of return continues to result in a significant rate increase for several rate classes, which contravenes our continuity goal. Consequently, the Department directs Eversource to limit the distribution rate increase for these rate classes to 200 percent of the overall distribution rate increase, and to allocate the remaining revenue requirement to the uncapped rate classes based on the ratio of their class revenue requirement at equalized rates of return to the sum of the class revenue requirement at equalized rates of return for all uncapped rate classes (see RR-DPU-50, Att. (e)-(f) at Exhs. ES-RDP-2 (ALT1), Sch. RDP-4; ES-RDP-3 (ALT1), Sch. RDP-4 (East); ES-RDP-3 (ALT1), Sch. RDP-4 (West)).

The Department has reviewed the Companies' ACOSS, and the Department finds that it is reasonable and consistent with Department precedent. D.P.U. 15-155, at 394-395; D.P.U. 15-80/D.P.U. 15-81, at 303, 309; D.P.U. 13-90, at 240-241; D.P.U. 11-01/D.P.U. 11-02, at 434-437. Accordingly, we accept the Companies' ACOSS as proposed, with the

aforementioned changes in this section and in Section IV.C above. The Department directs Eversource to rerun its ACOSS for submission in its compliance filing to allocate its costs and expenses in excess of the ten-percent cap and 200-percent cap as approved in this Order.

Further, the Department addresses the necessity of a separate proceeding and an education plan in the MMRC section.

E. MMRC

1. Introduction

On April 11, 2016, Governor Baker signed into law Chapter 75 of the Acts of 2016, An Act Relative to Solar Energy (“Act”). Among other things, the Act adds G.L. c. 164, § 139(j), which gives the Department the authority to consider proposals for an MMRC. St. 2016, c. 75, § 9. The purpose of the MMRC is for all distribution company customers to contribute to the fixed costs that ensure the reliability, proper maintenance, and safety of the electric distribution system. G.L. c. 164, § 139(j). The Department may approve an MMRC that: (1) equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption; (2) does not excessively burden ratepayers; (3) does not unreasonably inhibit the development of Class I, Class II, and Class III net metering facilities; and (4) is dedicated to offsetting reasonably and prudently incurred costs necessary to maintain the reliability, proper maintenance, and safety of the electric distribution system. G.L. c. 164, § 139(j). In addition, MMRC proposals shall be filed with the Department in: (1) a distribution company’s base distribution rate proceeding; or (2) a revenue neutral

rate design filing that is supported by appropriate cost of service data across all rate classes.

G.L. c. 164, § 139(j).

Any MMRC approved by the Department must take effect no later than December 31, 2018. G.L. c. 164, § 139(j). The Department “may only approve a proposal for a monthly minimum reliability contribution after the aggregate nameplate capacity of installed solar generating facilities in the [C]ommonwealth is equal to or greater than 1,600 megawatts”(“MMRC Date”). G.L. c. 164, § 139(j). On September 8, 2017, the Department certified that the MMRC Date has been reached. Net Metering Rulemaking, D.P.U. 16-64-G at 20 (September 8, 2017).

2. Companies Proposal

Eversource proposes to implement an MMRC for residential and C&I customers that are enrolled in the Companies’ net metering tariffs (Exh. ES-RDP-1, at 85). Eversource intends to apply the MMRC only to net metering host customers, including low-income host customers, and not to accounts that are allocated net metering credits via Schedule Z (Exhs. ES-RDP-1, at 85; DPU-10-1).³⁵ As of 2015, the Companies provided net metering

³⁵ Each electric distribution company has an interconnection tariff, known as Standards For Interconnection Of Distributed Generation. See Fitchburg Gas and Electric Light Company d/b/a Unitil - M.D.P.U. No. 269; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid – M.D.P.U. No. 1320; NSTAR Electric Company d/b/a Eversource Energy – M.D.P.U. No. 162D; Western Massachusetts Electric Company d/b/a Eversource Energy – M.D.P.U. No. 1039G. Each interconnection tariff sets forth the process and requirements for an interconnecting customer to connect a generating facility to the Electric Distribution Company’s electric power system, including discussion of technical and operating requirements, metering and billing options, and other matters. Schedule Z to the

services to approximately 1.4 percent of its customers (19,415 host customers out of a total of 1,395,788 customers) (Exhs. DPU-10-2, Att.; AG-1-2(7)(j) at 171, Cell F10; AG-1-2(7)(p) at 167, Cell F10). Eversource states that under the MMRC, net metering customers retain net metering credits for their surplus production, which customers can apply to offset their electric bills (Exhs. ES-RDP-1, at 97; DPU-10-5; DOER-5-4, at 1). Eversource further states that the MMRC does not affect renewable energy credits or other incentives customers may receive (Exh. ES-RDP-1, at 97).

To implement the MMRC, Eversource proposes to: (1) install at customer locations demand meters that measure maximum billing cycle demand in kW and meters that measure energy delivered and received in kWhs for customers charged the MMRC; and (2) update its billing system to incorporate the monthly demand charge (Exhs. ES-RDP-1, at 98; DPU-10-4, at 1-2). Eversource proposes to apply the MMRC to new residential and C&I net metering customers with an in-service date on or after January 1, 2019 (Exh. ES-RDP-1, at 91).³⁶

interconnection tariff, which is completed by or on behalf of a host customer, contains information regarding the host customer and the generating facility necessary to receive net metering services from the electric distribution company.

³⁶ In its initial rate design proposal, Eversource proposed applying the MMRC to new residential net metering customers with an in-service date on or after January 1, 2018 (Exh. ES-RDP-1, at 91). In its revised rate design proposal, Eversource proposes to delay the application of the MMRC to new residential net metering customers by one year, to January 1, 2019 (Exh. DPU-56-9, at 8 (Supp.)). This shift in the effective date is the only change to the MMRC that Eversource proposes in its revised rate design proposal (Exh. DPU-56-9, at 8 (Supp.)). Eversource also clarifies that it does not propose to apply the MMRC to net metering customers that expand an existing

The proposed MMRC rate consists of a customer, demand, and, where applicable, volumetric charge (Exh. ES-RDP-1, at 85). Eversource states that rates for all other components of service will be the same as for all other customers within the relevant class (Exh. ES-RDP-1, at 85). Eversource maintains that the MMRC for each class is designed on a revenue neutral basis to the otherwise applicable distribution rate, based on the target distribution revenues assigned to the applicable rate class in the ACOSS (Exh. ES-RDP-1, at 86).

Under the MMRC, Eversource proposes to set the customer charge for each rate class equal to the full unit customer cost (Exhs. ES-RDP-1, at 86; DPU-10-6, at 2). Eversource asserts that this approach separates customer costs from distribution system costs, and assures that each net metering host customer is responsible for its share of customer costs that would otherwise be shifted to other customers if included in a volumetric charge (Exhs. ES-RDP-1, at 86; DOER-2-1).

Eversource states that it developed a volumetric charge and kilowatt charge for the MMRC using the allocated minimum distribution system costs from the ACOSS and the individual customer monthly peak demands of all customers within each rate class (Exh. ES-RDP-1, at 86). Eversource proposes that the demand component of the bill for the MMRC for residential customers be calculated based on the highest measured 15-minute demand interval within a billing cycle; for C&I customers the demand component of the bill

facility (i.e., a net metering facility with an in-service date before January 1, 2019) (Exh. DPU-10-10).

will be calculated as described in the tariff for each rate class (Exhs. DPU-46-11; AC-1-14; AG-48-2; Tr. 16, at 3255).

For the residential rate classes, Eversource states that it calculated a volumetric rate to achieve revenue neutrality within the rate class (Exh. ES-RDP-1, at 86). For the C&I rate classes, Eversource proposes to include the MMRC as part of the total demand charge for each class, and, to the extent that the rate design of a class includes a volumetric charge (e.g., Rate G-1), Eversource calculated an average volumetric rate based on the proposed total per-kWh revenue for that class (Exh. ES-RDP-1, at 86-87).

Eversource is not proposing an MMRC for the proposed consolidated rate classes Rate G-3 and Rate G-4 (Exh. DPU-46-10). Eversource maintains that the demand charges in those rates are sufficient to cover the costs reflected in the Rate G-1 and Rate G-2 MMRC rates (Exh. DPU-46-10). In addition, Eversource is not proposing to offer an optional TOU rate to C&I net metering customers charged the MMRC (Exhs. AC-1-20; DPU-56-14).³⁷

The proposed MMRC rates for each rate class are summarized in the table below:

³⁷ Eversource clarifies that existing C&I net metering customers with installations by January 1, 2019 may elect to take service under the proposed optional G-5 TOU rate (Exhs. AC-1-19; AC-1-20).

Summary of Proposed MMRC Rates³⁸

MMRC Rate Component	R-1/R-2	R-3/R-4	G-1 EMA	G-1 WMA	G-2 EMA	G-2 WMA
Customer Charge (\$/month)	10.88	13.89	19.44	23.04	120.89	52.87
Demand Charge (\$/kW)	2.21	2.71	5.16	7.75	6.02	7.58
Distribution Energy Charge (\$/kWh)	0.03056	0.02085	0.01837	0.00658	0.01940	0.00827

Eversource maintains that as part of its overall communications plan, it proposes to educate residential customers about the demand charge under the MMRC (Exh. DPU-10-7). Eversource proposes to share information about net metering rates, including the MMRC, with developers who work regularly with residential net metering customers as part of the distributed generation workshops that Eversource regularly conducts (Exh. DPU-10-7). In addition, Eversource intends to provide pricing information for customers on its website, with illustrations and examples, and to train the Companies' representatives who respond to distributed generation requests on this information (Exhs. DPU-10-7; DPU-46-17).

3. Positions of the Parties

a. Statutory Requirements

i. Equitable Allocation of Fixed Costs

(A) Intervenors

Intervenors argue that Eversource does not meet the requirement of having an MMRC that equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption because the Companies: (1) have not demonstrated that a cost-shift

³⁸ Source: RR-DPU-50, Att. (i) at Exh. ES-RDP-6 (ALT1), Sch. RDP-1.

exists between net metering and non-net metering customers; (2) did not consider the benefits provided by net metering facilities; and/or (3) did not perform a separate cost allocation study for distributed generation customers within each rate class.

Several intervenors argue that the Companies have not demonstrated that there is a cost-shift from net metering to non-net metering customers when it comes to contributing to the fixed costs of the distribution system (Cape Light Compact Brief at 46-47; NECEC Brief at 25; NECEC Reply Brief at 5; Sunrun and EFCA Reply Brief at 6; Vote Solar Brief at 5-6). In particular, several intervenors maintain that Eversource did not conduct a cost of service analysis or any other reasonable analysis with quantitative record evidence that would quantify the amount of costs attributable to distributed generation customers (Acadia Center Brief at 17; Cape Light Compact Brief at 44, 52; Cambridge Brief at 11; NECEC Brief at 25-27; NECEC Reply Brief at 7; Sunrun and EFCA Brief at 7; Vote Solar Brief at 6; Vote Solar Reply Brief at 3). Cape Light Compact, Cambridge, Sunrun and EFCA, and Vote Solar contend that Eversource only provides calculations of displaced distribution revenues (“DDR”) as proof of subsidization, and that these DDR alone are not sufficient (Cape Light Compact Brief at 48; Cambridge Brief at 11; Sunrun and EFCA Brief at 5; Sunrun and EFCA Reply Brief at 6; Vote Solar Brief at 5; Vote Solar Reply Brief at 3). Further, Cape Light Compact and Sunrun and EFCA argue that the fact that one of Eversource’s two operating companies is not yet decoupled is not a valid argument, and it does not transform DDR under a given rate design into a complete accounting of costs and benefits attributable

to distributed generation customers in the NSTAR Electric service territory (Cape Light Compact Reply Brief at 11; Sunrun and EFCA Reply Brief at 6-7).

Acadia Center contends that Eversource inappropriately focuses on a short-run fixed cost concept for cost shifts, when the rate design principle of efficiency is based on long-run costs and benefits (Acadia Center Reply Brief at 3). Acadia Center maintains that this improper focus is why the Companies' purported DDR should not be dispositive to the Department's determination (Acadia Center Reply Brief at 3). Acadia Center disagrees with Eversource that as customers' change their behavior by exercising control over their bills, for example, through the installation of distributed generation, the result is an "intra-class inequity" where costs are shifted to other customers within that class who have difficulty controlling their bills (Acadia Center Reply Brief at 6). Acadia Center argues that customers' responses to the price signals and control over their bills should be viewed as progress – not an inequity that must be reconciled through mandatory charges (Acadia Center Reply Brief at 6).

Several intervenors maintain that the Companies do not meet the equitable allocation requirement because Eversource has not considered the benefits associated with net metering facilities (Acadia Center Brief at 17; Cape Light Compact Brief at 47-48; Cambridge Brief at 11; NECEC Brief at 26, 29; NECEC Reply Brief at 6; Sunrun and EFCA Brief at 6; Sunrun and EFCA Reply Brief at 6; Vote Solar Brief at 5, 7, citing D.P.U. 15-155, at 458; Vote Solar Reply Brief at 4). Cape Light Compact argues that examples of the benefits to be considered are: (1) avoiding the need to make utility investments to serve additional load,

(2) reducing energy and capacity purchases, and (3) reducing the cost of compliance with the Global Warming Solutions Act (Cape Light Compact Brief at 48-49). Cape Light Compact disagrees with the Companies' argument that the random locations of distributed generation systems do not result in systematic benefits to the distribution system over the long-run (Cape Light Compact Reply Brief at 11).

Finally, Cape Light Compact argues that Eversource's minimum size method takes costs classified as demand-related and shifts recovery of a portion of them from volumetric rates to a demand charge for new net metering customers (Cape Light Compact Brief at 52). Cape Light Compact also contends that the proposed MMRC demand charge fails to equitably allocate costs because the Companies allocate the costs based on each rate class' contribution to peak demand but do not perform a separate cost allocation study for distributed generation customers within that rate class (Cape Light Compact Brief at 52).

(B) Companies

Eversource disagrees with Cape Light Compact, NECEC, Sunrun and EFCA, and Vote Solar regarding the assertion that the Companies have not demonstrated that net metering imposes a cost to the Companies (Companies Brief at 52). The Companies argue that DDR is approximately \$8 million per year and growing (Companies Brief at 52; Companies Reply Brief at 22, 39, 42, citing Exhs. DPU-10-12; DPU-46-9; SREF-1-28). The Companies maintain that the source of the DDR is the net metering recovery surcharge ("NMRS") annual filing (Companies Brief at 52; Companies Reply Brief at 39). In response to the argument that evidence of DDR alone is insufficient to demonstrate cost shifting from

net metering customers to non-net metering customers, Eversource contends that NSTAR Electric is not currently decoupled and does track this information, unlike National Grid (Companies Brief at 53). In response to the intervenors' argument that there is a lack of analysis or informative reports to prove the cost shift, the Companies argue that the DDR calculations are far more granular than any report provided by decoupled distribution companies (Companies Reply Brief at 42).

The Companies argue that the issue of benefits confuses the issue of whether net metering customers are displacing their usage thereby reducing the amount that they pay to Eversource for the distribution service (Companies Brief at 54). First, Eversource maintains that any presumed benefits are long-run in nature and would not offset the Companies' short-run fixed costs (Companies Brief at 54). Second, Eversource contends that the installation of distributed generation is driven by customer financial incentives rather than by system planning, and that the installations do not necessarily result in benefits to the distribution system over the long-run (Companies Brief at 54).

Finally, Eversource maintains that, to ensure equitable allocation of costs and to avoid any question about cost causation relative to volumetric consumption, the Companies have allocated only a portion of demand-related costs by calculating a minimum system cost for each rate class (Companies Brief at 56, citing Exh. ES-RDP-1, at 93-94; Companies Reply Brief at 23). Eversource maintains that it applied a minimum size cost allocation method, where the cost of service associated with only minimum size equipment of the distribution system was allocated to each rate class (Companies Brief at 56-57). Further, Eversource

states that its electric distribution system is built to meet non-coincident peak so its TOU peak period is appropriate; to use a short peak period would create an opportunity to certain sophisticated customers to shift their load to an off-peak period, therefore creating an intra-class inequity (Companies Brief at 44-45).

ii. MMRC Does Not Excessively Burden Ratepayers

(A) Intervenors

The Attorney General, Cape Light Compact, and NECEC maintain that the Companies should interpret “does not excessively burden ratepayers” in G.L. c. 164, § 139(j) as not excessively burdening MMRC customers (Attorney General Brief at 18, 20; Cape Light Compact Brief at 12-13; NECEC Reply Brief at 6). The Attorney General maintains that the burden placed on a customer electing to participate in net metering with an MMRC extends beyond a mathematical calculation of the customer’s bill (Attorney General Reply Brief at 8). The Attorney General argues that the Department can decide what factors should be considered when determining whether the Companies’ MMRC proposal excessively burdens ratepayers (Attorney General Brief at 8-9). Cape Light Compact argues that MMRC customers would be paying more for distribution service than non-net metering customers who reduce their loads through conservation and energy efficiency (Cape Light Compact Brief at 13).

NECEC maintains that considering burdens to all ratepayers will be ensured when applying the rate structure goals to the MMRC, and that the Act in this instance is referring to not burdening MMRC customers (NECEC Reply Brief at 7). Further, NECEC argues

that Eversource has not shown that its proposed MMRC does not excessively burden ratepayers because it has not demonstrated that the MMRC will apply charges to customers that are commensurate with the costs to serve those customers or reflect a justified deviation from the charges applied to other customers within the same rate class (NECEC Brief at 29).

Cape Light Compact, Sunrun and EFCA, and NECEC maintain that the MMRC includes other costs that will affect ratepayers. Cape Light Compact argues that Eversource has not presented an estimate of the order of magnitude of the costs for administering the MMRC demand charge that will be passed onto ratepayers (Cape Light Compact Brief at 53). Cape Light Compact argues that such costs include new demand meters, installation fees, customer education, recoding and testing the billing system, training call center representatives, and other costs (Cape Light Compact Brief at 53).

Sunrun and EFCA argue that Eversource's claims that a residential customer who participates in net metering services and pays an MMRC will still see a substantial bill decrease are unsupported by record (Sunrun and EFCA Brief at 8). Sunrun and EFCA maintain that a Rate R-1 customer with a 4-kW system could see its annual bill increase by 34 percent (Sunrun and EFCA Brief at 8, citing Exhs. SREF-TW/MW-1 (Surr.) at 4; DPU-10-19, Att.).

Further, NECEC argues that Eversource's mention of the bill reduction from 79 percent to 71 percent does not indicate whether the difference is justified or excessive (NECEC Reply Brief at 7). According to NECEC, a more reasonable analysis is to examine a customer with a solar generation system on-site and to determine what the bill would be

with and without an MMRC (NECEC Reply Brief at 8). In this regard, NECEC asserts that the customer's bill in the previous example would be 36 percent higher with an MMRC (NECEC Reply Brief at 8). Further, NECEC argues that customers exempt from an MMRC should include customers who already have installed distributed generation, low-income customers, and customers in publicly-supported housing (NECEC Brief at 38, citing Exh. SREF-TW/MW-1 (Supp.) at 3, 30).

The Attorney General and Sunrun and EFCA argue that the Department should reject Eversource's MMRC proposal because it does not properly estimate bill impacts and therefore fails to accurately assess if MMRC customers will be excessively burdened (Attorney General Brief at 22; Sunrun and EFCA Brief at 8). The Attorney General and Sunrun and EFCA maintain that a demand charge based on the highest 15-minute measurement in a month will be higher than an hourly average (Attorney General Brief at 21, citing Tr. 16, at 3256; Sunrun and EFCA Brief at 8-9; Sunrun and EFCA Reply Brief at 9). The Attorney General maintains that, because the Companies calculated bill impacts of the MMRC based on hourly data, the Companies have underestimated the demand charge that MMRC customers will likely have to pay (Attorney General Brief at 21). Sunrun and EFCA argue that the Companies failed to model the impacts of the MMRC on residential customers with a higher or lower usage pattern than the "average" customer (Sunrun and EFCA Brief at 9). Furthermore, Sunrun and EFCA maintain that Eversource did not model the impact of an MMRC on large users with differently sized systems (Sunrun and EFCA Brief at 9). Finally, Sunrun and EFCA contend that Eversource did not perform a sensitivity analysis that

varies residential customers' load assumptions despite the Department's stating that an MMRC should reflect consideration of "bill impact analys[es], including sensitivities, for various types of customers, not just residential customers" (Sunrun and EFCA Brief at 10, citing Net Metering Rulemaking, D.P.U. 16-64-E at 20 (January 13, 2017); Sunrun and EFCA Reply Brief at 11). Contrary to Eversource's claim that it provides bill impacts analyzing multiple customer scenarios, Sunrun and EFCA argue that Exhibit SREF-1-42 does not constitute a sensitivity analysis (Sunrun and EFCA Reply Brief at 10).

(B) Companies

Eversource maintains that the Attorney General, Cape Light Compact, and NECEC incorrectly interpret who the MMRC should not unreasonably burden (Companies Brief at 54; Companies Reply Brief at 18). The Companies maintain that the Department should review the MMRC through the prism of whether the rate would excessively burden all customers based on a plain reading of the statute and the broader context of the Act (Companies Brief at 55; Companies Reply Brief at 19).

Eversource also contends that the MMRC does not burden net metering customers as illustrated by an average residential customer, who sizes a solar array to its demand, will see a bill reduction of 71 percent with the application of the MMRC rather than 79 percent without an MMRC (Companies Brief at 56; Companies Reply Brief at 23). Further, Eversource argues that the Attorney General does not demonstrate that the eight-percent difference is "excessively burdensome" to all ratepayers (Companies Reply Brief at 19). Regarding NECEC's argument that a customer's bill will be 36 percent higher with the

MMRC than without the MMRC, the Companies argue that customers and solar developers can factor in the increase into their contracts, given that customer bills prior to the installation of solar would have been approximately \$1,500 per year, the cost of solar has declined since the introduction of net metering, and DOER is introducing new incentives to solar developers under the Solar Massachusetts Renewable Target program (Companies Reply Brief at 39). Finally, Eversource argues that the Companies provided numerous iterations of bill impacts to both residential and commercial customers under a variety of scenarios, which overall demonstrates that MMRC customers will still experience savings (Companies Brief at 53, citing Exhs. SREF-1-42; VS-4-1; DPU-10-20; DPU-1-21; DPU-10-22; ES-RDP-6, Sch. RDP-4).

iii. MMRC Does Not Unreasonably Inhibit the Development of Net Metering Facilities

(A) Intervenors

Cape Light Compact, NECEC, and Vote Solar assert that Eversource did not conduct a specific analysis that demonstrates that the MMRC would not unreasonably inhibit the development of Class I, Class II, and Class III net metering facilities (Cape Light Compact Brief at 54; NECEC Brief at 29; Vote Solar Brief at 16). Further, DOER recommends that the Department consider carefully the arguments and issues put forward by other intervenors regarding the impact that the Companies' proposal will have on the future development of Class I, Class II, and Class III net metering facilities (DOER Brief at 9).

Some intervenors argue that the MMRC would inhibit the development of these facilities (Cambridge Brief at 12; Barnstable Brief at 10). For instance, Cambridge maintains

that the MMRC would: (1) reduce the value of net metering credits, particularly for residential customers; and (2) impose on residential customers a new demand charge, amounting to a penalty on customers that install net metering facilities because they could not predict or control that charge (Cambridge Brief at 12).

Other intervenors maintain that it is possible or likely that an MMRC will inhibit the development of net metering facilities (Barnstable at 12; Cape Light Compact Brief at 54; NECEC Brief at 30; Sunrun and EFCA Brief at 10). For instance, Barnstable argues that it is unlikely that CVEC and Weston would support future clean energy projects due to the uncertainty of the benefits (Barnstable Brief at 10, citing CVEC-JR-1, at 3; CVEC-CAW-2, at 4; Tr. 19, at 3714-3715). Cape Light Compact argues that the uncertainty whether a customer will be better or worse off with or without net metering is likely to deter some customers from installing distributed generation (Cape Light Compact Brief at 54, citing Tr. 16, at 3341-3342). NECEC argues that Eversource's own analyses show that the MMRC would substantially reduce customer's bill savings from net metering – by \$2,500 for a Rate R-1 customer installing a 4 kW system and by \$3,800 for a Rate R-1 customer installing a 6-kW system – potentially dissuading customers from investing in solar (NECEC Brief at 30, citing Exh. SREF-TW/MW-1 (Surr.) at 4). Sunrun and EFCA argue that Eversource cannot guarantee that solar development will not be inhibited because Eversource conducted little analysis on the combined impact of the MMRC and DOER's Solar Massachusetts Renewable Target program, which will be the future solar incentive program for customers that install distributed generation (Sunrun and EFCA Brief at 11).

(B) Companies

Eversource argues that the MMRC will not unreasonably inhibit the development of Class I, Class II, or Class III net metering facilities (Companies Brief at 23). The Companies maintain that the impacts: (1) will be well known in advance; and (2) will not be unreasonable relative to the overall net metering credits expected once an MMRC is implemented (Companies Brief at 23-24, 53, citing Exh. SREF-1-42; Companies Reply Brief at 44).

iv. Offset Reasonably and Prudently Incurred Costs

(A) Intervenors

Cape Light Compact argues that the MMRC is not designed to mirror reasonably and prudently incurred capacity costs, as alleged, because Eversource does not build its distribution system to serve the sum of all its customers' individual non-coincident maximum demands (Cape Light Compact Brief at 54-55). Cape Light Compact also argues that the MMRC is not dedicated to offsetting reasonably and prudently incurred costs because it was designed such that Eversource is likely to over collect its revenue target at the direct expense of new net metering customers (Cape Light Compact Brief at 55).

(B) Companies

The Companies did not address this issue on brief. In its initial filing, Eversource asserted that a demand charge quantifies and provides a signal to customers about the capacity requirements needed to provide service to them through their actual metered demand on the electric distribution system each billing period (Exh. ES-RDP-1, at 95).

b. Alternative MMRC Structures

i. Intervenors

DOER argues that the MMRC is inconsistent with the Act, because the structure of Eversource's proposal is not a true minimum charge (DOER Brief at 8). DOER contends that a minimum bill that requires net metering customers to pay a customer charge each billing period, regardless of whether they have a net metering credit balance, could be an example of an appropriate alternative structure that addresses this issue (DOER Brief at 9). NECEC and Sunrun and EFCA argue that, if the Department finds that considering some form of an MMRC is warranted, it should direct Eversource to prepare a proposal that adopts an approach similar to that of the nature presented in the Department's straw proposal in docket D.P.U. 16-64,³⁹ which consisted of a minimum bill set equal to the customer charge (NECEC Brief at 38, Sunrun and EFCA Brief at 17; Sunrun and EFCA Reply Brief at 4, 14). NECEC maintains that such an approach would: (1) be simpler than the Companies' proposal; (2) avoid many of the inefficient price signals; (3) avoid severe bill impacts; (4) avoid departures from the Department's rate structure goals; and (5) with appropriate support from Eversource, would be able to satisfy statutory and regulatory requirements (NECEC Brief at 38-39). Sunrun and EFCA argue that the D.P.U. 16-64

³⁹ The Department staff's straw proposal was presented in a hearing officer memorandum and discussed at a technical conference on August 23, 2016. Net Metering Rulemaking, D.P.U. 16-64, Hearing Officer Memorandum at 3-5 (August 19, 2016). Eversource and the intervenors commenting on this issue participated in that technical conference, namely Acadia Center, the Attorney General, Cambridge, DOER, NECEC, and Sunrun and EFCA, along with other interested stakeholders.

alternative would mitigate the alleged impacts of net metering customers zeroing out their customer-related fixed costs (Sunrun and EFCA Brief at 17).

The Attorney General maintains that a minimum bill tied to the customer charge may result in Eversource's collection of additional funds, but it will not result in behavioral changes in the net metering market to achieve necessary individual and system benefits (Attorney General Brief at 10). The Attorney General recommends that, if the Department contemplates a potential MMRC alternative, it should take into account how class or system average peaks can be utilized to drive individual demand in a way to maximize benefits from the MMRC customer and to the system as a whole (Attorney General Brief at 10).

Sunrun and EFCA argue that the Act does not specify that the fixed costs of the electric distribution system not caused by volumetric consumption must reflect system demand costs (Sunrun and EFCA Reply Brief at 14). Further, Sunrun and EFCA contend that the monthly guarantee that the Companies would collect at least the customer charge should go a long way towards filling any gap between the time Eversource experiences displaced revenues and when it is made whole through the NMRS (Sunrun and EFCA Reply Brief at 14).

Acadia Center asserts that a minimum bill proposal does not satisfy most of the relevant criteria for an MMRC (Acadia Reply Brief at 4). Acadia Center argues that a minimum bill set at the level of the customer charge would not include the vast majority of costs related to the reliability, proper maintenance, and safety of the electric distribution

system (Acadia Reply Brief at 5). Acadia Center also contends that minimum bills violate the key rate design criteria of efficiency and fair cost allocation (Acadia Reply Brief at 5).

UMass argues that the Department should not approve the Companies' MMRC but rather should initiate a collaborative proceeding to determine whether and what contribution customers exporting power onto the distribution system should make toward the costs of maintaining the distribution system (UMass Brief at 15). Acadia Center also urges the Department to open a generic docket in 2018 to determine a method for analyzing the distinction between avoidable and unavoidable distribution costs, and the process to implement a mechanism that would achieve the goal of equitably collecting these costs (Acadia Center Brief at 21-22; Acadia Center Reply Brief at 5).

ii. Companies

The Companies did not take a position on alternative MMRC structures in this proceeding.

c. Rate Structure Goals

i. Demand Charges and Customer Education

(A) Intervenors

Several intervenors argue that setting an MMRC based on a customer's maximum monthly demand regardless of when the distribution system is peaking is not an appropriate indicator of a customer's contribution to system costs and is not indicative of cost causation, because each customer's non-coincident peak fails to track the peak demand that drives system costs (Attorney General Brief at 22; Acadia Center Brief at 14, 16, 18-19; NECEC

Brief at 32; Sunrun and EFCA Brief at 15; Vote Solar Brief at 9-10; Vote Solar Reply Brief at 7). Cambridge and NECEC maintain that the MMRC does not meet the rate design goal of efficiency (Cambridge Brief at 12; NECEC Brief at 34).

Furthermore, the Attorney General, NECEC, and Vote Solar maintain that designing a demand charge based on non-coincident peak weakens the price signals that encourage a customer to reduce usage during the Companies' peak demand (Attorney General Brief at 22; NECEC Brief at 32; Vote Solar Reply Brief at 7). NECEC maintains that customers whose demand peaks outside of system peak periods would pay too much, and customers whose individual peaks coincide with system peaks may pay too little (NECEC Brief at 32). Cape Light Compact argues that using a 15-minute monthly maximum demand charge for the MMRC seems to be largely due to various limitations on the Companies' billing and information systems and is inappropriate (Cape Light Compact Brief at 44).

Several intervenors argue that the Department should reject the MMRC because Eversource has not established that a demand charge is understandable by customers, especially residential customers (Acadia Center Brief at 14-15; Cape Light Compact Brief at 60; Cambridge Brief at 11; NECEC Brief at 33-34; Sunrun and EFCA Brief at 14; Vote Solar Brief at 11; Vote Solar Reply Brief at 5). Intervenors supporting this position contend that the Companies did not conduct any studies or surveys of their customers to determine whether they could understand the MMRC (Acadia Center Brief at 15; Sunrun and EFCA Brief at 14; Vote Solar Brief at 11). NECEC asserts that the record shows that demand charges will be difficult for residential customers to understand and have been roundly

rejected by public utility commissions across the country for that reason (NECEC Brief at 33).

Cape Light Compact argues that splitting the MMRC into three components - a higher fixed customer charge, a demand charge, and a volumetric charge - is unnecessarily complicated (Cape Light Compact Brief at 62). Cape Light Compact and Cambridge argue that the MMRC does not meet the rate design goal of simplicity (Cape Light Compact Brief at 60; Cambridge Brief at 11). Sunrun and EFCA contend that the Companies cited to decades old and biased studies in support of their belief that customers who install distributed generation would know how much their net metering facility generates and know their monthly usage (Sunrun and EFCA Brief at 14).

Several intervenors further argue that imposing a demand charge on residential customers without providing a way for customers to track their electricity consumption and demand, such as through smart meters or in-home displays showing their metered demand, will be problematic because these customers will not be able to alter their behavior (Attorney General Brief at 23; Acadia Center Brief at 15; Acadia Center Reply Brief at 4; Cape Light Compact at 52, 59, 62; Cape Light Compact Reply Brief at 13; Cambridge Brief at 12; DOER Brief at 10; NECEC Brief at 34-35; Sunrun and EFCA Brief at 14; Sunrun and EFCA Reply Brief at 12; Vote Solar Brief at 11, 13). Cape Light Compact and NECEC argue that even if customers tried to control their demand, they would be punished for a single lapse in control of their load during a month (Cape Light Compact Brief at 53, 59; NECEC Brief at 35). Further, Cape Light Compact and Sunrun and EFCA argue that

Eversource concedes that customers either will find it difficult to determine or have no idea when their water heaters cycle on and will not know which appliances give rise to monthly maximum demands (Cape Light Compact Brief at 52, citing Tr. 16, at 3355; Sunrun and EFCA Brief at 15, citing Tr. 16, at 3354-3355; Sunrun and EFCA Reply Brief at 12).

Acadia Center, Cape Light Compact, DOER, Sunrun and EFCA, and Vote Solar argue that the Department should reject the MMRC because Eversource has not developed a detailed customer outreach and education plan (Acadia Center Brief at 15; Cape Light Compact Brief at 63-64; Cape Light Compact Reply Brief at 17; DOER Brief at 10-11; Sunrun and EFCA Brief at 14; Sunrun and EFCA Reply Brief at 12; Vote Solar Brief at 11-12; Vote Solar Reply Brief at 5). Cape Light Compact argues that Eversource's failure not file a customer education plan misses the requirement to present adequate strategies to ensure that residential customers will understand the MMRC (Cape Light Compact Reply Brief at 17).

(B) Companies

The Companies argue that producing rates based on local coincident peaks is not practical and would yield a more complex set of rates that would be challenging for customers to decipher or respond to appropriately (Companies Reply Brief at 43). Further, the Companies contend that their proposed MMRC balances several different principles and that no rate design can be perfectly efficient and cost based while remaining simple and producing gradual bill impacts (Companies Reply Brief at 44). The Companies also maintain

that no intervenor has demonstrated that energy charges are a better measure of cost drivers for all components of the distribution system (Companies Reply Brief at 52).

Eversource also contends that it will develop a thorough and comprehensive communications and outreach plan (Companies Reply Brief at 25). Further, Eversource argues that the Companies have substantial experience with small C&I customers that have demand rates (Companies Reply Brief at 30). According to Eversource, small C&I customers should be able to understand their electric bills and make reasoned energy decisions because these customers are already familiar with demand charges (Companies Reply Brief at 30, 51). Moreover, Eversource argues that the intervenors have not provided evidence that customers are incapable of managing their electric usage nor cannot dedicate time to monitor their demand levels (Companies Reply Brief at 30).

Eversource acknowledges the critical need to educate customers on the implementation of the MMRC and argues that, prior to its rate case filing in January 2017, the Companies developed a thorough and comprehensive communications and outreach plan (Companies Reply Brief at 25). Eversource avers that it has committed to further developing its communications to customers prior to January 1, 2019, but cannot complete such a plan without knowledge of the specifics of the Department's ultimate decision on this matter (Companies Reply Brief at 25, 43).

ii. Two Different Charges in One Rate Class(A) Intervenors

Acadia Center and NECEC argue that the Act does not authorize the creation of separate rate structures and that the Department cannot arbitrarily assign a Rate R-1 customer to another set of per-kWh rates, even through application of the MMRC (Acadia Center Brief at 19; NECEC Brief at 37). The Attorney General and NECEC maintain that it is unfair for MMRC customers and non-MMRC customers to receive service under the same rate class yet face different customer charges using the same cost of service study (Attorney General Brief at 23; NECEC Brief at 36; NECEC Reply Brief at 11). In particular, the Attorney General argues that charging two different customer charges based within the same rate class provides one group of ratepayers with more control over their electricity bill than the other (Attorney General Brief at 24). Further, the Attorney General maintains that an MMRC customer will have less ability than a non-MMRC customer to manage its bill due to a higher fixed charge component (Attorney General Brief at 24). NECEC contends that the Department should not allow any subgroup of customers within a class to be carved out for different rate design treatment based solely on an assertion that those customers should pay more, and without justification that the rate design proposal is based on the cost to serve those customers (NECEC Reply Brief at 12). Cape Light Compact and NECEC argue that imposing divergent charges to some customers within a class and not to others without evidence is unfair and discriminatory (Cape Light Compact Brief at 66; NECEC Brief at 36, 38).

(B) Companies

Eversource argues that it did not separate net metering customers into a separate class because it is not proposing to assign separate costs to these customers (Companies Brief at 58). Eversource claims that the cost to serve these customers has been evaluated through the cost of service study conducted for their respective rate class (Companies Brief at 58). In response to the Attorney General's argument that an MMRC customer will have less ability than a non-MMRC customer to manage its bill due to a higher fixed charge component, the Companies argue that this statement is illogical since an MMRC customer has installed on-site generation with the intention of significantly reducing its billed charges from the distribution company (Companies Brief at 59). The Companies contend that different rate designs within a rate class are not new and are not discriminatory so long as they are designed to be revenue neutral to the otherwise applicable rate (Companies Reply Brief at 40).

d. Additional Issues

i. Subjecting Class I Net Metering Facilities to an MMRC

Sunrun and EFCA question whether the Department has authority to subject Class I net metering facilities to an MMRC (Sunrun and EFCA Brief at 17; Sunrun and EFCA Reply Brief at 15). Sunrun and EFCA argue that it is unclear whether G.L. c. 164, § 139(j), which describes the MMRC, repeals or alters G.L. c. 164, § 139(d), which prohibits imposition of special fees on Class I net metering facilities (Sunrun and EFCA Brief at 17; Sunrun and EFCA Reply Brief at 15). Sunrun and EFCA argue that it is incumbent upon the Legislature

to fix this uncertainty (Sunrun and EFCA Brief at 17; Sunrun and EFCA Reply Brief at 15).

No other party addressed this issue.

ii. Impacts to Energy Efficiency

(A) Intervenors

Cape Light Compact argues that Eversource failed to present evidence of the impact of the MMRC on the Commonwealth's energy efficiency programs (Cape Light Compact Brief at 55). Further, Cape Light Compact contends that Eversource's MMRC violates the core rate design principal of efficiency because the demand charge, the higher fixed customer charge, and the reduced volumetric charge weaken signals to consumers to decrease energy consumption and to participate in energy efficiency programs (Cape Light Compact Brief at 58). Cape Light Compact also claims that ratepayers will be excessively burdened because of the improper price signals for energy efficiency, which will cause over-investment in electric distribution system capacity (Cape Light Compact Reply Brief at 13).

In response to Eversource's argument that price signals will be muted, NECEC maintains that even customers that net meter and carry forward net metering credits respond to price signals (NECEC Reply Brief at 9). Further, NECEC and Vote Solar argue that customers that net meter can still benefit from reducing usage or installing energy efficiency measures (NECEC Reply Brief at 9; Vote Solar Reply Brief at 6). Sunrun and EFCA and Vote Solar argue that Eversource has not provided evidence to support its claim that net metering customers do not respond to price signals (Sunrun and EFCA Reply Brief at 13; Vote Solar Reply Brief at 6).

(B) Companies

Regarding concerns related to the MMRC impact on energy efficiency, the Companies argue that the MMRC is not a customer charge but rather a demand charge tied to customer usage (Companies Reply Brief at 43). The Companies contend that proposals affecting demand are consistent with energy efficiency (Companies Reply Brief at 43). Furthermore, Eversource argues that any rate design predicated on per-kWh charges will have muted price signals under net metering, because a net metering customer can eliminate all of those charges and thereby remove any price signal regarding its use of the distribution system (Companies Brief at 57; Company Reply Brief at 39-40, 43). Eversource avers that this price signal is further distorted by the ability of net metering customers to carry credits forward from one billing period to the next (Companies Brief at 57). Eversource responds that, despite the characterization offered by the intervenors, it does not argue that price signals are irrelevant to customers who install distributed generation (Companies Reply Brief at 39).

iii. Small and Medium Commercial Customers with Demand Charges

TEC argues that small and medium commercial customers that have a demand charge should not be subject to an MMRC charge, because it is redundant (TEC Brief at 23). TEC argues that the demand charge alone should be a sufficient mechanism for the Companies to recover distribution charges from small and medium customers who install net metering facilities (TEC Brief at 23). TEC is not opposed to an increase in the fixed charges for

customers to cover the costs of administration for net metering, but argues that the MMRC, in combination with a demand charge, is unwarranted (TEC Brief at 23).

4. Analysis and Findings

a. Standard of Review

An MMRC proposal must meet several procedural requirements. MMRC proposals shall be filed with the Department in: (i) the distribution company's base distribution rate proceeding; or (ii) a revenue neutral rate design filing that is supported by appropriate cost of service data across all rate classes. G.L. c. 164, § 139(j). Further, the Department “may only approve a proposal for a monthly minimum reliability contribution after the aggregate nameplate capacity of installed solar generating facilities in the [C]ommonwealth is equal to or greater than 1,600 megawatts.” G.L. c. 164, § 139(j). Any MMRC approved by the Department must take effect no later than December 31, 2018. G.L. c. 164, § 139(j).

An MMRC proposal must meet several substantive requirements. The Department may approve an MMRC that: (1) equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption; (2) does not excessively burden ratepayers; (3) does not unreasonably inhibit the development of Class I, Class II, and Class III net metering facilities; and (4) is dedicated to offsetting reasonably and prudently incurred costs necessary to maintain the reliability, proper maintenance, and safety of the electric distribution system. G.L. c. 164, § 139(j). Further, the Department may exempt or modify an MMRC for low-income ratepayers and, for any period through 2020, any class or sub-class of Class I, Class II, or Class III net metering facilities that were in service by

December 31, 2016. G.L. c. 164, § 139(j). The Department also may approve changes to the MMRC for individual electric distribution companies in any future base rate proceeding. G.L. c. 164, § 139(j).

Further, an MMRC must be just and reasonable. The Department is charged with ensuring that any rates are just and reasonable. Attorney General v. Department of Telecommunications and Energy, 438 Mass. 256, 264 n.13 (2002); Attorney General v. Department of Public Utilities, 392 Mass. 262, 265 (1984); Fitchburg Gas and Electric Light Company v. Department of Public Utilities, 371 Mass. 881, 882 (1977); New England Gas Company, D.P.U. 10-114, at 22 (2011); Boston Gas Company, D.P.U. 93-60, at 212 (1993). A utility's rates are just and reasonable when its rates afford it the opportunity to meet its cost of service, including a fair and reasonable return on honestly and prudently invested capital. See Boston Gas Co. v. Department of Pub. Utilities, 367 Mass. 92, 97 (1975); Lowell Gas Co. v. Department of Pub. Utilities, 324 Mass. 80, 94, cert. denied, 338 U.S. 825 (1949); Donham v. Public Service Commissioners, 232 Mass. 309, 326 (1919). Finally, as set forth in Section IV.A above, the Department has determined that the goals of designing utility rate structures are to achieve efficiency and simplicity as well as to ensure continuity of rates, fairness between rate classes, and corporate earnings stability. D.P.U. 15-155, at 383; D.P.U. 15-80/D.P.U. 15-81, at 294; D.P.U. 13-75, at 330; D.P.U. 12-25, at 444; D.P.U. 10-114, at 341.

b. D.P.U. 16-64-E

The Department has directed each electric distribution company to consider the following types of data to permit the public to better evaluate an MMRC proposal: (1) an analysis of the impact of market net metering credits on the need for an MMRC; (2) a bill impact analysis, including sensitivities, for various types of customers, not just residential customers; (3) cost of service studies supporting the allocation between fixed and variable charges; and (4) an analysis justifying the need for an MMRC. Net Metering Rulemaking, D.P.U. 16-64-E at 21-22 (January 13, 2017). The Department further encouraged each distribution company to continue discussing MMRC proposals and data requests with interested stakeholders in advance of an adjudicatory proceeding involving an MMRC. D.P.U. 16-64-E at 22.

Consistent with the directives in D.P.U. 16-64-E, the Department finds that the Companies provided evidence demonstrating sufficient bill impact analyses (Exh. DPU-10-19, Att.). The Department further finds that the Companies' cost of service studies support the allocation between fixed and variable charges (Exhs. DPU-1-8, Att. at 55-56; AG-48-6; RR-DPU-49). The Department concludes that the Companies considered an analysis of the impact of market net metering credits, bill impact sensitivities, and the need for an MMRC.

The Department managed a process in docket D.P.U. 16-64 to consider alternative MMRC proposal methods in a non-adjudicatory proceeding. The Department held two technical conferences on August 23, 2016 and October 24, 2016, to discuss Department staff's straw proposal and alternative MMRC proposals. The Department subsequently

sought written comments. D.P.U. 16-64-E at 2. Throughout docket D.P.U. 16-64 and this proceeding, no entity aside from the electric distribution companies presented a feasible alternative MMRC proposal with supporting evidence. At the conclusion of the process in docket D.P.U. 16-64, the Department determined that opening a generic MMRC proceeding to investigate a model MMRC or alternative MMRC structures was unnecessary. D.P.U. 16-64-E at 22. Here, the Department reaffirms that such a proceeding is unnecessary.

c. Procedural Requirements

The Act was signed on April 11, 2016, nine months prior to Eversource's filing in the instant proceeding. In compliance with G.L. c. 164, § 139(j), on January 17, 2017, Eversource filed its MMRC proposal in the Companies' base distribution rate proceeding. On September 8, 2017, the Department established the MMRC Date as May 1, 2017, and certified that as of that date there were 1,655.96 megawatts direct current interconnected to the electric distribution system. D.P.U. 16-64-G at 19-20.

The Companies propose to apply the MMRC to new residential and C&I net metering customers with an in-service date on or after January 1, 2019 (Exhs. ES-RDP-1, at 91; Exh. DPU-56-9, at 8 (Supp.)). The Companies submit that approving an MMRC results in an effective date, one that may precede the date on which the MMRC is charged to customers (Exhs. ES-RDP-1, at 91; DPU-46-4, at 1). Therefore, Eversource states that the MMRC charge can be effective during the statutory time period before it is actually applied to any customer bills (Exh. DPU-46-4, at 1-2). The Department disagrees with Eversource's

statutory interpretation. Rather, the Department finds that the Companies proposed date to apply the MMRC to new net metering host customers of January 1, 2019, is inconsistent with G.L. c. 164, § 139(j) because January 1, 2019 is after the effective date of December 31, 2018 set by statute.

When the statute's language is certain, we afford its ordinary meaning. ENGIE Gas & LNG LLC v. Department of Pub. Utilities, 475 Mass. 191, 197 (2016). The language of the statute is "the primary source of insight into the intent of a legislature." Commissioner of Correction v. Superior Court Dept. of Trial Court For the County of Worcester, 446 Mass. 123, 124 (2006), citing International Fidelity Insurance Company v. Wilson, 387 Mass. 841, 853, (1983). The Act clearly states that an MMRC shall be effective not later than December 31, 2018. G.L. c. 164, § 139(j). If the Department approves an MMRC on a date before December 31, 2018, and an MMRC is not applied to any customer accounts in that time frame, the Order date cannot serve as the MMRC effective date. The Department finds that to comply with the Act, an MMRC must be applied to at least one rate class' customer accounts by December 31, 2018. Therefore, the Department concludes that Eversource has met two of the three procedural requirements for its MMRC proposal in that was properly filed in a base rate proceeding and it is pending after the MMRC Date of May 1, 2017, but Eversource fails to meet the third requirement of being effective no later than December 31, 2018.

The Department determines that while the Companies met multiple procedural requirements, Eversource has not met the procedural requirement that an MMRC is effective

not later than December 31, 2018, because the Companies' MMRC proposal is slated to be applied in the first instance after that date on January 1, 2019. The Department concludes that an MMRC must have an effective date of December 31, 2018, which means that the MMRC should be included on net metering host customer bills with net metering facilities that are interconnected on and after December 31, 2018.

d. Substantive Requirements

i. Statutory Requirements

The Act includes multiple substantive requirements for the Department to consider in reviewing an MMRC proposal. As a threshold matter, the Act requires that “[a]ny such minimum contributions shall ensure that all distribution company customers contribute to the fixed costs of ensuring the reliability, proper maintenance and safety of the electric distribution system.” G.L. c. 164, § 139(j). Below, the Department analyzes the substantive statutory requirements.

(A) Equitable Allocation

The Act states that the Department “may approve [...an MMRC] that: (i) equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption” and three other criteria discussed below. G.L. c. 164, § 139(j). Intervenors raise issues about the cost shift of net metering, benefits of distributed generation, and cost allocation with regard to quantifying and equitably allocating fixed costs. The Act does not detail what constitutes equitable allocation of fixed costs.

(1) Cost Shift of Net Metering

The Act does not require a proven cost shift as a prerequisite to approve an MMRC. Eversource calculates that its DDR was approximately \$8,500,000 in 2016, which was collected through the annual NMRS that is charged to all ratepayers (Exhs. DPU-10-12; DPU-46-9 (Distribution Revenue Tab); SREF-1-28). In 2016, Eversource paid its customers \$67,492,869 in net metering credits (Exh. SREF-1-28, at 2(a)).

The Companies' current net metering tariffs allow Eversource to recover from all customers an annual surcharge through the NMRS, or other applicable reconciling mechanism, for: (1) costs of credits paid to net metering customers; (2) DDR; and (3) prior period reconciliation adjustments. M.D.P.U. No. 163D, § 1.08(4); M.D.P.U. No. 1048G, § 1.08(4). Of these three components, the costs of credits paid to net metering customers are based on net metering customers' amount of energy generated. The DDR is the non-reconciling distribution portion of revenue that would have been collected by the Companies in the relevant year, but was displaced by the generation used by net metering customers. M.D.P.U. No. 163D, § 1.08(4); M.D.P.U. No. 1048G, § 1.08(4). When filing its NMRS, NSTAR Electric calculates the DDR by subtracting net metered volumetric consumption from its estimate of total customer-owned generation output and multiplying it by the applicable non-reconciling distribution rate. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 16-174, at 3 (2016).

The Companies' MMRC proposal is designed to recover the cost of service from customers who have reduced their kWh usage relative to the test year billing determinants

through net metering (Exh. DPU-46-12). Nonetheless, the Department concedes that customers taking net metering services directly receive the economic benefits of the net metering system. NSTAR Electric Company, D.P.U. 15-174, at 32 (2016). The costs of net metering, however, are borne by all electric customers, whether or not they receive net metering credits. D.P.U. 15-174, at 32. Consequently, there is a transfer of costs rooted in the net metering system (Exh. DPU-10-13). D.P.U. 16-157, at 9, 16. The Department concludes that the Companies have demonstrated a cost shift from net metering to non-net metering customers by identifying costs directly imposed by net metering facilities on the distribution system (Exhs. ES-RDP-1, at 95-96; ES-RDP-Rebuttal-1, at 20; DPU-46-9, Att.).

(2) Benefits of Net Metering

The Act does not require a determination regarding the possible benefits of net metering facilities as a prerequisite to approve an MMRC. Several intervenors argue that there are benefits of distributed generation that should be considered (Acadia Center Brief at 17; Cape Light Compact Brief at 47-48; Cambridge Brief at 11; NECEC Brief at 26; NECEC Reply Brief at 6; Sunrun and EFCA Brief at 6; Sunrun and EFCA Reply Brief at 6; Vote Solar Brief at 5, 7, citing D.P.U. 15-155, at 458; Vote Solar Reply Brief at 4).

The Department has previously stated that net metering is an important tool in the advancement of renewable energy. Solelect Energy Development LLC, D.P.U. 16-21, at 12 (2016); BCC Solar Energy Advantage, Inc., D.P.U. 14-149, at 18 (2015); Borrego Solar Systems, Inc., D.P.U. 12-80, at 7 (2012). Further, the Department has stated that there is a public interest in the advancement of renewable energy projects in the Commonwealth.

D.P.U. 16-157, at 18-19; D.P.U. 15-174, at 31-32; Solsect Energy Development LLC, D.P.U. 16-21, at 12 (2016); BCC Solar Advantage, Inc., D.P.U. 14-149, at 18; D.P.U. 12-80, at 7. While there are benefits resulting from net metering installations, the Department finds that the Act does not require a determination of the allocation of benefits (e.g., whether such facilities result in benefits to individual facilities, virtual net metering customers, the electric distribution system, or over the long-run).

(3) Equitable Allocation of Costs

Eversource states that it isolated demand-related costs of the electric distribution system, which are fixed (Exh. ES-RDP-1, at 86). Eversource asserts that its MMRC proposal derives a minimum distribution system cost of providing service, based on the embedded cost of service studies, which includes the following components of the electric distribution system: poles, conduit, overhead and underground conductors, and service transformers (Exhs. ES-RDP-1, at 86, 94; DPU-10-6, at 1). Further, the MMRC proposal is designed based on each individual customer's actual use of the distribution system because the Companies separated customer costs from demand costs and developed a unit demand rate allowing the MMRC charge for each customer in a given billing cycle to be based on a customer's actual metered demand (Exh. DPU-10-6, at 2). By contrast, Cape Light Compact argues that the proposed MMRC demand charge fails to equitably allocate costs because Eversource proposes to allocate the costs based on each rate class' contribution to peak demand, but does not perform a separate cost allocation study for net metering customers within that rate class (Cape Light Compact Brief at 52).

The MMRC must be supported by cost of service data. G.L. c. 164, § 139(j). The Department finds that the Companies' proposal for a demand charge based on a minimum distribution system cost of providing service allocated to each rate class is based upon documented fixed costs (RR-DPU-50, Att. (i) at Exh. ES-RDP-6 (ALT1), Schs. RDP-3, RDP-4). The Department concludes that Eversource's MMRC proposal is supported by an accurate representation of customer utilization of the electric distribution system because it is based on a customer's non-coincident peak demand, which is consistent with how the Companies undertake electric distribution system planning and is reflected through the allocation of distribution costs on non-coincident peak (Exhs. ES-RDP-1, at 14-15; ES-ACOS-1, at 5, 8-10; DPU-1-3; DPU-60-3). D.P.U. 10-70, at 294-296. The Department further finds that Eversource's MMRC proposal is supported by appropriate cost of service data, in compliance with G.L. c. 164, § 139(j), because the demand charges are derived using costs identified as reliability in the ACOS (Exhs. DPU-1-8, Att. at 55-56; AG-1-1; AG-48-6; RR-DPU-50, Att. (i) at Exh. ES-RDP-6 (ALT1), Sch. RDP-2).

(4) Equitable Allocation of Fixed Costs
Conclusion

Based on the above findings, the Department concludes that Eversource has provided sufficient evidence to demonstrate that the MMRC proposal equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption in compliance with G.L. c. 164, § 139(j).

(B) MMRC Does Not Excessively Burden Ratepayers

The Department may approve an MMRC that “does not excessively burden ratepayers” and satisfies three other criteria. G.L. c. 164, § 139(j). As discussed above, intervenors raise issues about the entities that should not be burdened. The Act does not define “excessively burden”.

Eversource argues that the prism through which the Department should consider whether the MMRC would excessively burden customers is all customers (Companies Brief at 55). Further, the Companies assert that MMRC customers still benefit because their bills will be lower than if they did not have net metering, the cost of distributed generation, particularly solar, has declined since the introduction of net metering, and there are forthcoming incentives available through DOER (Companies Reply Brief at 39). By contrast, multiple intervenors maintain that the Department should consider only whether MMRC customers would be excessively burdened (Attorney General Brief at 18, 20; Cape Light Compact Brief at 12-13; NECEC Reply Brief at 6).

Where there is a statutory gap, the agency charged with the administration of a statute is to spell out details of the legislative policy. United States v. Mead Corporation, 533 U.S. 218, 227 (2001), citing Chevron U.S.A., Inc. v. Natural Resources Defense Council, 467 U.S. 837, 843-844 (1984); Middleborough v. Housing Appeals Committee, 449 Mass. 514, 523 (2007), citing Zoning Board of Appeals of Wellesley v. Housing Appeals Committee, 385 Mass. 651, 654 (1982).

The MMRC statute states that “[a]ny such minimum contributions shall ensure that all distribution company customers contribute to the fixed costs of ensuring the reliability, proper maintenance and safety of the electric distribution system.” G.L. c. 164, § 139(j) (emphasis added). Just two sentences later, the statute declares that an MMRC may be approved that “does not excessively burden ratepayers.” G.L. c. 164, § 139(j). The Department does not have the legislative authority to add or remove rate components to the statute. See Dartt v. Browning-Ferris Industries, Inc. (Mass.), 427 Mass. 1, 8-9 (1998), citing Bronstein v. Prudential Insurance Company, 390 Mass. 701, 706 (1984) (court will not add to a statute a word that the Legislature had the option to, but chose not to, include). However, because the statute does not include qualifying language between the term “burden” and “ratepayers,” the Department finds that it must consider whether the MMRC would excessively burden all ratepayers. Further, the Department has an obligation to consider all ratepayers in its rate design decisions. G.L. c. 164, §§ 1A, 1F, 94I.

In viewing whether the MMRC proposal excessively burdens all ratepayers, the Department considers the proposed bill impacts associated with the MMRC proposal. The impact of the Companies’ MMRC charge, if approved as proposed, would reduce the value of net metering credits for host customers subject to the MMRC (Exhs. DPU-10-19, Att.; DPU-10-20, Att.; DPU-10-21, Att.; DPU-10-22, Att.; VS-4-1; RR-DPU-50, Att. (i) at Exh. ES-RDP-6 (ALT1)). Since the Department has determined that a cost shift exists between net metered and non-net metered customers, implementation of an MMRC reduces the effects of the cost shift and, as such, does not burden all ratepayers. Further, the

Department finds that an MMRC benefits non-net metered customers by reducing the NMRS, which is charged to all customers.

The Department now considers whether an MMRC creates an excessive burden to customers that would be subject to the MMRC. Excessive is defined as “exceeding what is proper, necessary, or normal.” Webster’s II New College Dictionary 390 (3rd ed. 2001).

The Department notes that host customers taking service under the net metering tariff will continue to receive net metering credits in accordance with G.L. c. 164, §§ 138, 139(b½).

The MMRC will not prevent customers from receiving net metering credits, but rather will contribute to the recovery of those costs that are necessary to ensure that all distribution company customers contribute to the fixed costs of ensuring the reliability, proper maintenance and safety of the electric distribution system based on the embedded cost (see Exh. SREF-1-42, Att.). Furthermore, these customers will benefit from net metering through continued bill savings even when subject to an MMRC (Exh. ES-RDP-Rebuttal-1, at 22). The Department finds that the MMRC within the net metering structure, with continued benefits for host customers, would not exceed what is proper, necessary, or normal. As such, the Department determines here that the proposed MMRC will not excessively burden ratepayers with an MMRC or ratepayers without an MMRC in compliance with G.L. c. 164, § 139(j).

(C) MMRC Does Not Inhibit the Development of Net Metering Facilities

The Department may approve an MMRC that “does not unreasonably inhibit the development of Class I, Class II, Class III facilities” and three other criteria. G.L. c. 164, § 139(j). Eversource argues that an MMRC will result in an adjustment to the kWh charge, where applicable, and the net metering credit value for some rate classes, which will be known in advance and are not unreasonable relative to overall net metering credits (Companies Brief at 52-57; Exh. ES-RDP-1, at 95). Multiple intervenors argue that Eversource failed to conduct a specific analysis that demonstrates that the MMRC would not unreasonably inhibit the development of net metering facilities (Cape Light Compact Brief at 54; NECEC Brief at 29; Vote Solar Brief at 16). Other intervenors argue that the MMRC would or would likely unreasonably inhibit the development of net metering facilities (Barnstable Brief at 10; Cambridge Brief at 12; Cape Light Compact Brief at 54; NECEC Brief at 30; Sunrun and EFCA Brief at 10).

As a matter of statutory interpretation, where the language of a statute is “sufficiently ambiguous to support multiple rational interpretations,” the court looks to the cause of its enactment, the mischief or imperfection to be remedied and the main object to be accomplished, to the end that the purpose of its framers may be effectuated.” Kain v. Department of Environmental Protection, 474 Mass. 278, 286, (2016). In Kain, the Court held that “[a]ll the words of a statute are to be given their ordinary and usual meaning” and we construe “each clause or phrase ... with reference to every other clause or phrase without

giving undue emphasis to any one group of words, so that, if reasonably possible, all parts shall be construed as consistent with each other so as to form a harmonious enactment effectual to accomplish its manifest purpose.” 474 Mass. at 287; see also ENGIE Gas & LNG LLC v. Department of Public Utilities, 475 Mass. 191, 200 (2016). The Act does not provide a roadmap regarding how the Department should interpret “unreasonably inhibit.”

“Inhibit” is defined as “to restrict or hold back, restrain.” Webster’s II New College Dictionary 570 (3rd ed. 2001). Eversource’s bill impact analyses show that net metering host customers with an MMRC charge will continue to see savings (Exh. ES-RDP-Rebuttal-1, at 22 (August 22, 2017)). Across all rate classes, the Companies’ analyses show that the MMRC will have a minimal effect on the total savings (i.e., the payment/credits customers receive) realized by net metering customers (Exhs. DPU-10-19; DPU-10-20; DPU-10-21; DPU-10-22; NECEC-6-2; NECEC-8-1; NECEC-8-2; NECEC-8-3; NECEC-8-5; NECEC-10-3; SREF-1-42). The Department considered the information provided by multiple municipal intervenors that the MMRC could possibly inhibit the development of net metering facilities, but we find that such information rests on such a degree of speculation as to be unreliable (Exhs. CVEC-JR-1, at 3; CVEC-CAW-2, at 4; SREF-TW/MW-1 (Surr.) at 4; Tr. 19, at 3714-3715).

The Department finds that any likelihood that the MMRC could inhibit the development of future net metering facilities is lessened by the Companies’ evidence supporting continued bill savings and net benefits for host customers of net metering facilities with an MMRC charge (Exh. SREF-1-42, Att.). Further, the Department finds that if the

volume of future net metering facility development is reduced as a result of an MMRC charge, such diminution would not be unreasonable. Host customers of such net metering facilities have the option to participate in other incentive programs, which will be unaffected by an MMRC (Exh. DPU-46-20).⁴⁰ Therefore, it is not reasonable to determine that a decrease in net metering credits would halt investment in Class I, Class II, or Class III net metering facilities when considering other public policies that provide financial incentives for these facilities. As such, the Department finds that the proposed MMRC will not unreasonably inhibit the development of Class I, Class II, or Class III net metering facilities in compliance with G.L. c. 164, § 139(j).

(D) Offset reasonably and prudently incurred costs

Eversource argues that it has isolated demand-related costs of the electric distribution system necessary to maintain the reliability, proper maintenance, and safety of the distribution system, and that the demand charge provides a signal to customers about the capacity requirements needed to provide service to them (Exh. ES-RDP-1, at 93-95). Cape Light Compact argues that because Eversource does not build its electric distribution system to serve the sum of all its customers' individual non-coincident maximum demands, the MMRC is not designed to reflect prudently incurred capacity costs (Cape Light Compact

⁴⁰ Other incentive programs that may be available to net metering customers, subject to eligibility requirements, include the current solar carve-out program administered by DOER ("SREC II"), SREC II's successor program, Solar Massachusetts Renewable Target Program, and federal and state tax incentives. (Exhs. Tr. 17, at 3464-3465; Companies Reply Brief at 39). See also: <http://www.mass.gov/eea/docs/eea/lbe/ppa-and-nma-guidance.pdf>.

Brief at 54-55). The Department accepts the Companies' evidence that the Companies have properly identified costs of the electric distribution system necessary to maintain the reliability, proper maintenance, and safety of the distribution system (see Exh. ES-RDP-1, at 89). The intervenors do not dispute that Eversource incurs such costs. As such, the Department finds that the proposed MMRC will be dedicated to offset reasonably and prudently incurred costs necessary to maintain the reliability, maintenance, and safety of distribution system in compliance with G.L. c. 164, § 139(j).

(E) Subjecting Class I Net Metering Facilities to an MMRC

Sunrun and EFCA argue that it is unclear whether G.L. c. 164, § 139(j) repeals or alters G.L. c. 164, § 139(d), which prohibits fees on Class I net metering facilities (Sunrun and EFCA Brief at 17; Sunrun and EFCA Reply Brief at 15). G.L. c. 164, § 139(d) states that “[d]istribution companies shall be prohibited from imposing special fees on Class I net metering facilities, such as backup charges and demand charges, or additional controls or liability insurance, as long as the facility meets the other requirements of the interconnection tariff and all relevant safety and power quality standards.” Wherever possible, statutes should be interpreted as a whole to constitute a consistent and harmonious provision. District Attorney for the Northwestern District v. Eastern Hampshire Division of the District Court Department, 452 Mass. 199, 210 (2008), citing Kargman v. Commissioner of Revenue, 389 Mass. 784, 788 (1983). The Department finds that Section 139(d) prohibiting special fees on Class I net metering facilities and Section 139(j) referencing the MMRC can be

interpreted harmoniously because a demand charge, as part of an MMRC charge, is not a “special fee.” See 220 CMR 18.03(2).

(F) Statutory Requirements Conclusion

The Department finds that Eversource’s MMRC meets the four substantive statutory requirements because it: (1) equitably allocates the fixed costs of the electric distribution system not caused by volumetric consumption; (2) does not excessively burden ratepayers; (3) does not unreasonably inhibit the development of Class I, Class II, and Class III net metering facilities; and (4) is dedicated to offsetting reasonably and prudently incurred costs necessary to maintain the reliability, proper maintenance, and safety of the electric distribution system. G.L. c. 164, § 139(j). Because the Department has no evidence of an alternative MMRC on the record in this proceeding, it cannot compare the Companies’ MMRC proposal with an alternative structure.

ii. Just and Reasonable Rates

(A) Rate Structure Goals

Eversource states that its MMRC is based on the minimum system cost of the distribution system, allocated to each class on a diversified demand basis, consistent with methods required by the Department (Exh. ES-RDP-1, at 87). Several intervenors allege that imposing a demand charge on residential customers without providing a way for customers to track their electricity consumption and demand will not result in an appropriate price signal, violating the goal of efficiency (Acadia Center Brief at 15; Acadia Center Reply Brief at 4; Attorney General Brief at 23; Cape Light Compact at 52, 59, 62; Cape Light Compact Reply

Brief at 13; Cambridge Brief at 12; DOER Brief at 10; NECEC Brief at 34-35; Sunrun and EFCA Brief at 14; Sunrun and EFCA Reply Brief at 12; Vote Solar Brief at 11, 13).

Intervenors also claim that the MMRC is not understandable to customers, especially residential customers, violating the goal of simplicity (Acadia Center Brief at 14-15; Cape Light Compact Brief at 60; Cambridge Brief at 11; NECEC Brief at 33-34; Sunrun and EFCA Brief at 14; Vote Solar Brief at 11; Vote Solar Reply Brief at 5). The Attorney General and Sunrun and EFCA maintain that a demand charge based on the highest 15-minute measurement in a month will be higher than an hourly average, which likely results in the Companies' underestimation of the demand charge that MMRC customers will pay (Attorney General Brief at 21, citing Tr. 16, at 3256; Sunrun and EFCA Brief at 8-9; Sunrun and EFCA Reply Brief at 9). Several intervenors further argue that setting an MMRC based on a customer's maximum monthly demand regardless of when the distribution system is peaking is not indicative of cost causation because each customer's non-coincident peak may not track peak demand that drives system costs (Acadia Center Brief at 14, 16, 18-19; Attorney General Brief at 22; NECEC Brief at 32; Sunrun and EFCA Brief at 15; Vote Solar Brief at 9-10; Vote Solar Reply Brief at 7).

A demand charge is a charge based on a consumer's peak demand over a specified time period, typically the monthly billing cycle (Exh. DPU-46-16). Since most capital investments on the distribution network are driven by peak demand, the Companies state that demand charges will better align the price that consumers pay with the costs that they are imposing on the system (Exh. DPU-46-16). Consistent with the Department's rate structure

goals, a demand charge is intended to accurately convey the cost structure of delivering electricity to consumers so that they can make informed decisions about how much power to consume, and at what time (Exh. DPU-46-16).

The Department acknowledges that the imposition of a demand charge for residential customers is atypical.^{41,42} Further, the Department acknowledges that a non-coincident peak demand charge may weaken the price signal that encourages a customer to reduce usage during the Companies' peak demand, but no intervenor demonstrated an alternative method that better measures cost drivers for all components of the electric distribution system. The Companies calculated the MMRC for residential customers based on hourly load-research data, but will bill residential customers based on a 15-minute demand period (Tr. 17, at 3472-3473). The Companies assert that they have the ability to bill residential MMRC customers based on their actual hourly demand (Tr. 17, at 3468, 3471). Therefore, to better align the costs of customers' peak usage, the Department directs the Companies to bill residential customers using their actual hourly demand.

⁴¹ In response to intervenor claims that imposition of an MMRC charge is redundant for small and medium C&I customers, the Department concludes that an MMRC charge is appropriate for Rate G-1 and Rate G-2 customers.

⁴² The record demonstrates that there are 16 electric distribution companies, eleven investor-owned utilities, some operating in several states that offer a residential demand charge (Exh. DPU-46-14). Of the 16, only two of those demand charges are mandatory (Exh. DPU-46-14). The rates from Black Hills Power in Wyoming and Salt River Project in Arizona are mandatory for new customers with distributed generation, while the rate from Alaska Electric Light and Power is mandatory for large residential customers (Exh. DPU-46-14, Att.).

The Department finds that many residential host customers with net metering facilities are more sophisticated than the average residential customer without net metering facilities or customers receiving net metering credits that are not host customers. Responding to a demand charge does not require that the customers know exactly when their maximum demand will occur (Exh. DPU-46-16, at 1). If customers know to avoid the simultaneous use of electricity-intensive appliances, they could easily reduce their maximum demand without ever knowing when it occurs (Exh. DPU-46-16, at 1-2). Eversource cites to four studies suggesting that customers respond to demand charges and note that a new era of demand charge pilots is underway and results are expected in the next year or two (Exh. DPU-46-16, at 3). Nonetheless, the Department recognizes that the imposition of a residential demand charge is a significant shift from current ratemaking in Massachusetts. Therefore, the Department directs Eversource to submit an informational filing with detailed educational plans, customer outreach, and tools by June 1, 2018, for Department review and approval.

The educational plans and tools must be sufficiently detailed to cover a variety of communication methods, including a plan for communicating with residential and small C&I customers with limited English language abilities. The Department will review the informational filing, including the educational plans, customer outreach plans, and tools, prior to the Companies' implementation of the MMRC. The Department further expects Eversource to work collaboratively with interested stakeholders, including the intervenors

who evaluated the MMRC proposal, to respond to concerns about the MMRC proposal needing to be understandable and result in customers tracking their demand.

(B) Two Different Charges in One Rate Class

Eversource argues that different rate designs within a rate class are not new and are not discriminatory so long as they are designed to be revenue neutral to the otherwise applicable rate (Companies Brief at 58). The Attorney General and NECEC maintain that it is unfair for MMRC customers and non-MMRC customers to receive service under the same rate class yet face different customer charges using the same cost of service study (Attorney General Brief at 23; NECEC Brief at 36; NECEC Reply Brief at 11). Acadia Center argues that the Act does not authorize the creation of separate rate structures, even with application of an MMRC (Acadia Center Brief at 19; NECEC Brief at 37).

The Department has found that rate classes should be defined on the basis of differences in cost of service. Boston Gas Company, D.P.U. 88-67, Phase II at 18 (1989); Western Massachusetts Electric Company, D.P.U. 86-280-A at 201 (1987). Rate classes should be defined in a way that minimizes cost differences within the class and maximizes cost differences among classes. Bay State Gas Company, D.P.U. 89-81, at 58 (1989); Colonial Gas Company, D.P.U. 86-27-A at 72 (1988). These differences in cost of service are primarily a function of customer load level and load pattern. Boston Gas Company, D.P.U. 84-236-A at 11 (1986). Here, Eversource has provided evidence that MMRC customers within a rate class have a similar customer load level and load pattern as non-MMRC customers within the same rate class (Exhs. DPU-46-10; LI-1-19; SREF-1-36).

Further, the Department has previously approved multiple distribution rate structures within a single rate class (Exh. DPU-10-3). Boston Electric Company, Rate G-1, M.D.T.E. No. 130F; Commonwealth Electric Company, M.D.T.E. No. 330F; D.P.U. 88-135/151, at 210, 213-214 (Rate G-1 with two-step demand charge). For example, in the legacy Commonwealth Electric Company territory, Rates R-1, R-2 and G-1 all have multiple rate structures to account for customers that are deemed to have seasonal usage (Exh. DPU-10-3).

Eversource's MMRC proposal demonstrates that an average residential customer without an MMRC charge will be charged the same total amount as another average residential customer with an MMRC charge even though the non-MMRC customer will pay a customer charge and volumetric charge while the MMRC customer will be charged a customer charge, demand charge, and volumetric charge (Exh. ES-RDP-1, at 98). The Department finds that because the MMRC is designed as revenue neutral, it is appropriate for customers within the same class to have different charges.

(C) Impacts to Energy Efficiency

Some intervenors argue that the MMRC could potentially harm the Commonwealth's energy efficiency program because the reduced volumetric charge may weaken price signals to consumers to decrease energy consumption (Cape Light Compact Brief at 58; NECEC Reply Brief at 9; Vote Solar Reply Brief at 6). The Companies contend that rate proposals affecting demand are consistent with energy efficiency (Companies Reply Brief at 43).

The Green Communities Act, which establishes the Commonwealth's energy efficiency program, requires the acquisition of both energy efficiency and demand-reduction resources.⁴³ G.L. c. 25, § 21(b)(1). Further, the Department is obligated to consider the impacts of its rate design decisions, including the impact of new financial incentives on the successful development of energy efficiency. G.L. c. 164, § 141. The Department found that customers benefit from reductions in both energy consumption and peak demand through lower capacity and commodity prices. D.P.U. 17-05 Order at 409; see e.g., Three-Year Energy Efficiency Plans, D.P.U. 15-160 through D.P.U. 15-169, at 93 (2016); Bill Impacts of Energy Efficiency, D.P.U. 08-50-D at 11 (2012). The Department acknowledges that, while the reduced volumetric charge may weaken price signals for the kWh energy consumption component of energy efficiency, the demand charge component of the MMRC establishes a new price signal for demand reduction. Therefore, we find that the MMRC is not inconsistent with the Commonwealth's energy efficiency and demand reduction programs.⁴⁴ For further discussion of energy efficiency issues, refer to Section IV.G.2.c.

⁴³ An Act Relative To Green Communities, St. 2008, c. 169.

⁴⁴ The Department has approved several demand response demonstration offerings proposed by the Program Administrators. See NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 16-178, at 44-45 (October 30, 2017); Fitchburg Gas and Electric Light Company, D.P.U. 16-184, at 18-19 (October 30, 2017); Three-Year Energy Efficiency Plans for 2016-2018, D.P.U. 15-160 through D.P.U. 15-169, at 141-143 (2016).

e. Exemptions

The Department may “exempt or modify” an MMRC for low-income ratepayers and any class or sub-class of Class I, Class II, or Class III net metering facilities that were in service not later than December 31, 2016. G.L. c. 164, § 139(j). The Companies do not seek to exempt either low-income ratepayers or any class or sub-class of Class I, Class II, or Class III net metering facilities that were in service not later than December 31, 2016 (Exhs. ES-RDP-1, at 85; DPU-46-5, at 2). The Companies’ MMRC proposal applies to all host customers enrolled in Eversource’s net metering tariffs and with a net metering facility electrified on or after January 1, 2019 (Exhs. ES-RDP-1, at 91; DPU-10-8; DPU-56-9, at 8 (Supp.)). One intervenor and, in particular, one commenter, assert that the Department can create an exemption for low-income ratepayers to last in perpetuity (NECEC Brief at 38; Chairman Golden Comments to Secretary Beaton, June 13, 2017, at 1). The Green Communities Act states, in part, that “[i]n all decisions or actions regarding rate designs, the [D]epartment shall consider the impacts of such actions, including the impact of new financial incentives on the successful development of energy efficiency and on-site generation. Where the scale of on-site generation would have an impact on affordability for low-income customers, a fully compensating adjustment shall be made to the low-income rate discount.” St. 2008; c. 169, § 78; G.L. c. 164, § 141. In consideration of these statutory provisions, the Department finds that there is public interest in exempting low-income host customers from an MMRC. Thus, the Department directs Eversource to modify all relevant tariffs,

including Rate R-2 and Rate R-4, to include an MMRC exemption for low-income host customers.

f. MMRC Conclusion

The Department concludes that Eversource's MMRC proposal, modified so that it applies to customer accounts on December 31, 2018, meets the Act's procedural and statutory requirements. G.L. c. 164, § 139(j). The Department further finds that the Companies' MMRC results in just and reasonable rates. Low-income ratepayers that are host customers of net metering facilities shall be exempt from the MMRC. The Department requires the Companies to revise MMRC language in the relevant tariffs, including Residential Assistance Rates R-2 and R-4, and add an MMRC to the net metering tariff for effect February 1, 2018. The Department expects Eversource to file an MMRC education plan in an informational compliance filing by June 1, 2018. The Department strongly urges Eversource to work with stakeholders, including rate design intervenors, to design customer education tools, educational plans, and other guidance that address intervenor concerns before the June 1, 2018 informational filing.

g. Implementation

Having approved the MMRC as set forth above, we now address implementation. First, the MMRC may be added to electric bills for distribution utility accounts that receive Class I, Class II, Class III, or market net metering credits pursuant to G.L. c. 164, § 139(j). The Department recently conducted a rulemaking to implement An Act to Promote Energy Diversity in D.P.U. 17-10-A promulgating final net metering regulations to implement a

small hydroelectric net metering program. Net Metering Rulemaking, D.P.U. 17-10-A (November 17, 2017); G.L. c. 164, § 139A; St. 2016, c. 188, § 10. The Department found that the small hydroelectric net metering program is distinct from the general net metering program and as such, facilities participating in the small hydroelectric net metering program are not considered Class I, Class II, or Class III facilities. D.P.U. 17-10-A at 9-10; 220 CMR 18.02. As such, an MMRC should not be imposed on facilities participating in the small hydroelectric net metering program.

Second, as discussed above, the Department directed the Companies to apply an MMRC to relevant customers with net metering facilities that go into service on December 31, 2018. As part of the Companies' June 1, 2018 informational filing, Eversource must include a plan to communicate with prospective net metering host customers to educate them about potentially becoming subject to an MMRC. The June 1, 2018 informational filing should specify that as of the date of this Order, a host customer that submits an application for interconnection services of a net metering facility may be subject to an MMRC. When the Companies file compliance tariffs to incorporate the MMRC, such tariffs should be filed for effect February 1, 2018, but indicate that: (1) the MMRC will not be applied to facilities that go into service prior to December 31, 2018; and (2) an MMRC may be applied to net metering facilities that go into service on or after December 31, 2018. The Department directs the Companies to include a section in the net metering tariff indicating that an MMRC may be applied to certain net metering facilities that go into service on or after December 31, 2018.

Third, in Section IV.D.5.c.ii, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. For the following C&I rate classes in the table below, the Department directs the Companies to include in their compliance filing an MMRC that sets the demand charge component based on their MMRC proposal (Exh. RR-DPU-49, Atts. (F) through (I)). The Department further directs the Companies to set the customer charge at the full unit cost and to set the kWh charge at the remaining amount for such C&I rate classes.

C&I Rate Classes that Require an MMRC

Service Area	Current Rate Classes
Boston	G-1
Boston	G-2
Boston	G-3
Boston	T-1
Boston	T-2
Cambridge	G-0
Cambridge	G-1
Cambridge	G-2
Cambridge	G-3
Cambridge	G-4
Cambridge	G-5
Cambridge	G-6
Commonwealth	G-1
Commonwealth	G-2
Commonwealth	G-3
Commonwealth	G-4
Commonwealth	G-5
Commonwealth	G-6
Commonwealth	G-7
WMECo	24
WMECo	G-0

WMECo	G-2
WMECo	T-0
WMECo	T-2
WMECo	T-4

The Department finds that an MMRC as directed herein for the C&I rate classes meets the rate structure goals of rate continuity, efficiency, and fairness.

F. Low-Income Discount

1. Introduction

a. Background

Pursuant to G.L. c. 164, § 1F, the Department requires distribution companies to provide percentage discounts to rates for low-income customers comparable to the low-income discount rate received off the total bill for rates in effect prior to March 1, 1998. See Expanding Low Income Customer Protections and Assistance, D.P.U. 08-4, at 36 (2008); D.P.U. 10-42/D.P.U. 10-43, at 1-2.

The Companies state that current low-income discounts vary depending on the legacy rate class to which the low-income customer takes service (Exh. ES-RDP-1, at 44). Eligible WMECo customers receive a 32-percent discount off their total bill (Exh. ES-RDP-1, at 44). For NSTAR Electric customers, low-income customers in the Boston Edison Company service territory receive discounts between 25.7 percent and 27.0 percent (Exh. ES-RDP-1, at 44). Low-income customers in the Cambridge Electric Light Company service territory receive discounts between 24.8 percent and 24.9 percent (Exh. ES-RDP-1, at 44).

Low-income customers in the Commonwealth Electric Company service territory receive discounts between 19.7 percent and 27.1 percent (Exh. ES-RDP-1, at 44).

The Companies state that the current average low-income monthly discount for an NSTAR Electric customer is \$25.25, or 25 percent (Exh. LI-1-12). According to the Companies, the current average low-income monthly discount for a WMECo customer is \$30.25, or 32 percent (Exh. LI-1-12).

b. Companies Proposal

In the Companies' initial rate design proposal, Eversource proposed a 30-percent low-income discount for NSTAR Electric customers and a 36-percent low-income discount for WMECo customers (Exh. ES-RDP-1, at 44). The Companies' initial and revised proposal relies on the method ordered by the Department in D.P.U. 15-155, which allows for a compensating adjustment to the low-income discount that includes the costs associated with the renewable portfolio standard ("RPS") solar carve out and the NMRS (Exhs. ES-RDP-1, at 44-45; ES-RDP-2, Sch. RDP-7).

According to the Companies' initial proposal, increasing the low-income discount to 30 percent for NSTAR Electric resulted in an additional revenue allocation of \$7,471,279 to all other NSTAR Electric customers (Exh. ES-RDP-1, at 45). Furthermore, increasing the low-income discount to 36 percent for WMECo resulted in an additional revenue allocation of \$4,010,786 to all other WMECo customers (Exh. ES-RDP-1, at 45). In the Companies' revised rate design proposal, Eversource proposed a uniform low-income discount of 36 percent for all eligible residential customers in both the WMECo and NSTAR Electric

service territories (Exh. DPU-56-9, at 2 (Supp.)). No party commented on the Companies' proposal.

2. Analysis and Findings

Pursuant to Section 141, a fully compensating adjustment shall be made to the low-income discount where the scale of on-site generation would have an impact on affordability for low-income customers. D.P.U. 15-155, at 469. In D.P.U. 15-155, the Department determined that a fully compensating adjustment to the low-income discount would include only the costs associated with the RPS solar carve out and the NMRS, as these costs are directly related to the growth of on-site generation, and directed all electric distribution companies to file rate design proposals that comply with the standard set forth in Section 141. D.P.U. 15-155, at 470-471.

Based on our review of the record, the Department finds that on-site generation in the Companies' service territories has grown with an increase in costs from associated incentives that the Companies include in customers' bills, including bills of low-income customers (Exhs. ES-RDP-2, Sch. RDP-7 (East); ES-RDP-2, Sch. RDP-7 (West)). Thus, low-income customers have experienced an increase in bills as a result of the growth of on-site generation. Therefore, pursuant to Section 141 and the Department's directive in D.P.U. 15-155, the Department finds the Companies' revised proposal to adjust the low-income discount is appropriate. The adjusted low-income discount of 36 percent will remain in effect until the Companies' next base rate case, at which time the Department will determine whether further adjustment is warranted.

G. Other Base Distribution Rate Design Issues

1. Municipal Net Metering Credit Reduction

a. Introduction

Eversource proposed to assign all NSTAR Electric C&I customers to a single set of rate classifications and to assign all WMECo C&I customers to a single set of rate classifications (Exh. ES-RDP-1, at 51). As part of its proposed rate consolidation, the Companies planned to eliminate legacy rate classes and consolidate Rates T-1/B-5 and A-9 into the new Rate G-1 (Exhs. ES-RDP-1, at 22; ES-RDP-4, Sch. RDP-2 (East); DPU-67-2).⁴⁵ Under the proposed consolidation of Rates T-1/B-5 and A-9, the value of net metering credits generated by net metering facilities under such rate classes will decrease, including those generated by municipal net metering facilities (Exh. DPU-67-7, Att.). Investments in renewable generating facilities sometimes depend upon financing agreements and private contracts between distribution customers and third parties (Exh. TOB-1-1). Host customers of net metering facilities, including municipalities, may receive payments based on the expected output of the net metering facility generation for renewable energy credits, tax credits, or power purchase agreements (Exh. TOB-1-1).

⁴⁵ Boston Edison Company's optional TOU Rate T-1 includes a sub-rate class called B-5 and is available to non-residential customers whose load for billing purposes does not exceed or is estimated not to exceed ten kW (see Exh. DPU-67-8, Att.; M.D.T.E. No. 133F). Throughout this section, we refer to this legacy rate class as Rate T-1/B-5. Boston Edison Company's Rate G-1 includes a non-demand sub-rate class called A-9 (see Exh. DPU-67-8, Att.). Rate G-1/A-9 is available for all non-residential customers with single-phase service not exceeding 100 amperes and whose load for billing purposes does not exceed or is estimated not to exceed ten kW (M.D.T.E. No. 130F). Throughout this section, we refer to this legacy sub-rate class as Rate A-9.

b. Positions of the Parties

As set forth above in Section IV.D.5.c.ii, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. As such, the Companies' current C&I rate classes will remain unchanged. Therefore, it is unnecessary to set forth detailed arguments made by the parties regarding municipal net metering credit reduction.

The Attorney General maintains that there will need to be a plan for future consolidation of Rates T-1/B-5 and A-9, and she recommends closing the T-1/B-5 and A-9 rate classes to new customers or net metering facilities (Attorney General Brief at 26). The Attorney General suggests that as the Companies work toward rate consolidation in the future, they keep in mind the concept of gradualism and seek the input of the Municipalities and other stakeholders in preparation for the Companies' next rate case (Attorney General Brief at 26). Barnstable, Cambridge, CVEC, DOER, the Municipalities, TEC, and UMass request that the Department grandfather existing municipal net metering customers that have renewable energy contracts (Barnstable Brief at 3, 22; Cambridge Brief at 10; CVEC Brief at 20-21; DOER Brief at 14; Municipalities Brief at 1; TEC Brief at 22; UMass Brief at 18). NECEC recommends that the Department deny Eversource's proposed rate class alignment and consolidation (NECEC Brief at 8). Eversource argues that creating an exemption for the Municipalities is discriminatory because it would give special treatment to the Municipalities and not other customers who are facing the same rate changes (Companies Reply Brief at 46, 50).

c. Analysis and Findings

As stated above in Section IV.D.5.c.ii, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Therefore, intervenors' concerns are moot regarding the impacts to net metering credit values resulting from the Companies' proposed changes to the C&I rates, specifically the proposal to consolidate Rates T-1/B-5, and A-9 and transition to the new Rate G-1.⁴⁶

We also note that in this proceeding, the Municipalities stated that Eversource should consider the impact of the Companies' proposed rate changes on existing municipal private contracts to support the development of net metering facilities (Exhs. 1-MS-1, at 3-6; 1-JWM-1, at 6-8; ARLINGTON-1, at 5-6; NEWT-1, at 4-10; WEST-1, at 4-6). Eversource responded that it is not privy to the terms of the private contracts, nor would it be feasible for the Companies to review such agreements (Exh. TOB-1-1). Therefore, the Companies maintain that they are unable to assess the viability of municipal net metering projects under private contract based on net metering credits alone (Exh. TOB-1-1). The Department agrees with Eversource that it would be difficult for the Companies to evaluate the impacts of proposed rate design changes in the context of private financial contracts, nor is it

⁴⁶ The following municipalities have net metering facilities that take service under Rate T-1/B-5 and Rate A-9: Acton, Arlington, Ashland, Bedford, Bellingham, Boston, Brookline, Burlington, Canton, Carlisle, Chelsea, Dedham, Dover, Framingham, Holliston, Hopkinton, Lexington, Lincoln, Maynard, Medfield, Medway, Millis, Milton, Natick, Needham, Newton, Norfolk, Sharon, Sherborn, Somerville, Stoneham, Sudbury, Walpole, Waltham, Watertown, Wayland, Weston, Westwood, Winchester, and Woburn (Exh. ES-RDP-12, at 48, M.D.P.U. No. 500, Appendix C).

Eversource's responsibility to take each of these individual contracts into consideration. We also agree that for the purposes of rate design, the Department's consideration of customer bill impacts excludes the impacts to customer revenues, such as revenues from net metering credits, and includes impacts to customer payments. Furthermore, when municipalities or other customers make financial decisions regarding net metering, such customers should assume that rates underlying net metering credits will change and not remain the same in perpetuity. Section 94 (electric distribution companies shall file schedules of rates not less frequently than every 5 years).⁴⁷ Therefore, the Department puts all customers taking net metering services, as well as net metering stakeholders, on notice that although the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time, it is possible that the current value of net metering credits will decrease in the future as rate design evolves.

Nonetheless, the Department recognizes that Eversource's proposed C&I rate consolidation would have had a potentially significant impact on certain municipal net metering facilities supported by the Commonwealth's renewable energy policy. The Department is required to consider the impacts of rate changes on the successful development of energy efficiency and on-site generation. Section 141. In light of this obligation and multiple intervenors' strong concerns about the impacts of the proposed rate consolidation on

⁴⁷ We cannot find that customers or third parties have a legitimate expectation that rates set in a third-party contract can supersede the rates established by the Department for a jurisdictional company pursuant to Section 94 or G.L. c. 164, § 93. See, e.g., Union Dry Goods Company v. Georgia Public Service Corporation, 248 U.S. 372, 375-376 (1919).

net metering customers, including municipal customers, we expect Eversource to take these impacts into consideration when planning for future rate consolidation and alignment.

Therefore, the Department strongly encourages Eversource to work with potentially negatively-affected customers to mitigate these concerns prior to filing its next revenue neutral rate redesign or base rate proceeding. Furthermore, to the extent that customers have questions about how proposed rate consolidation and alignment affects their bills, including impacts to revenues such as net metering credits, the Department expects Eversource to communicate effectively with its customers and respond fully to all inquiries.

Finally, in reviewing the Companies' plan to eliminate legacy rate classes and consolidate Rates T-1/B-5 and A-9 into the new Rate G-1, the Department credits evidence that all 40 customers in Rate T-1/B-5 are net metering customers (Exhs. NEWT-1; NEWT-2). To limit the potential impacts of future rate design proposals, the Department finds that the Companies should close Rate T-1/B-5 to all new customers effective February 1, 2018. Therefore, the Department directs the Companies to close Rate T-1/B-5 to new customers and update the Rate T-1 tariff, proposed M.D.P.U. No. 133G, accordingly (RR-DPU-51, Att. (a) at 362).

2. C&I Non-Coincident Peak Demand Charges

a. Introduction

Eversource currently bills customers a monthly demand charge on the basis of a customer's highest usage at a single point in time, or a customer's non-coincident peak

demand (Exh. ES-RDP-1, at 12, 14-15).⁴⁸ Eversource offers the following C&I rate classes that include a demand charge: Boston Edison Company Rate G-1, to customers with three-phase service or with single-phase service exceeding 100 amperes, Rate G-2, Rate G-3, and Rate T-2 (M.D.T.E. Nos. 130F, 131F, 132F, 134F); Cambridge Electric Light Company's Rate G-1, Rate G-2, Rate G-3, and Rate G-4 (M.D.T.E. Nos. 231G, 232G, 233G, 234G); Commonwealth Electric Company's Rate G-1, Rate G-2, Rate G-3, Rate G-4 (M.D.T.E. Nos. 330F, 331F, 332F, 333F); and WMECo's Rate 24, Rate G-0, Rate T-0, Rate G-2, Rate T-4, Rate T-2, and Rate T-5 (M.D.P.U. Nos. 1003W, 1004W, 1005W, 1006W, 1007W, 1008W, 1049B). Also, Eversource offers the following non-demand C&I rate classes to customers: (a) Boston Edison Company Rate G-1, to customers with single-phase service not exceeding 100 amperes, Rate T-1 (M.D.T.E. Nos. 130F, 133F); (b) Cambridge Electric Light Company's Rate G-0, Rate G-5, and Rate G-6 (M.D.T.E. Nos. 230G, 235G, 236G); (c) Commonwealth Electric Company's Rate G-5 and Rate G-6 (M.D.T.E. Nos. 334F, 335F); and (d) WMECo's Rate 23 (M.D.P.U. No. 1002W)).

The Companies' proposed demand charge rates effective January 1, 2018 vary by legacy company and rate class (RR-DPU-50, Att. (f) at Exhs. ES-RDP-3 (ALT1), Sch. RDP-1 (East); ES-RDP-3 (ALT1), Sch. RDP-1 (West)). All of the Companies' proposed aligned C&I rate classes for effect January 1, 2019 include a distribution demand

⁴⁸ Several of the Companies' legacy C&I rate classes include a demand charge, although the first 2 kW or 10 kW may be exempt from billed demand charges (RR-DPU-50, Att. (e) at Exhs. ES-RDP-3 (ALT1), Sch. RDP-1 (East); ES-RDP-3 (ALT1), Sch. RDP-1 (West)).

charge, except for Rate G-1 (non-demand) (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-5).

b. Positions of the Parties

i. Acadia Center

Acadia Center argues that non-coincident peak demand charges do not meet the Department's rate design principles of cost causation, efficiency, and fair allocation of costs (Acadia Center Brief at 15, citing Exh. AC-ML-1, at 25; Acadia Center Reply Brief at 8). Further, Acadia Center contends that the distribution system is not designed to meet the individual non-coincident peak demand of any one small C&I customer, and one customer does not cause more localized distribution peaks (Acadia Center Brief at 16, citing Exh. AC-ML-1, at 26; Tr. 16, at 3227; Acadia Center Reply Brief at 8, citing Tr. 16, at 3278). Acadia Center maintains that diversity of demand means that the distribution system is built for the joint peak at each node (Acadia Center Brief at 8). Thus, Acadia Center argues that demand charges based on non-coincident peak demand are unlikely to be correlated with the peak demand that causes system costs (Acadia Center Brief at 16; Acadia Center Reply Brief at 8).

Moreover, Acadia Center argues that Eversource has failed to establish that small C&I customers understand and can manage demand charges (Acadia Center Brief at 14, citing D.P.U. 15-155, at 459; Acadia Center Brief at 15; Acadia Center Reply Brief at 8). In support of its position, Acadia Center maintains that the Companies neither surveyed small C&I customers to determine their knowledge of demand charges nor prepared a customer

education plan for them (Acadia Center Brief at 15, citing Tr. 17, at 35). Further, Acadia Center alleges that the Companies will not provide small C&I customers with a real-time demand monitor (Acadia Center Brief at 15, citing Tr. 16, at 3305). Acadia Center alleges that small C&I customers are faced with issues that do not lend themselves to actionable price response, such as their electric water heaters running simultaneously with other high-demand equipment (Acadia Center Brief at 15).

Accordingly, Acadia Center argues that demand charges are inappropriate for small C&I customers and, therefore, the Department should reject them (Acadia Center Brief at 14; Acadia Center Reply Brief at 8). Further, Acadia Center recommends that the Department direct Eversource to create a rate class for new and existing small C&I customers that, absent the customer charge, is billed solely a volumetric rate (Acadia Center Brief at 16, citing Exh. AC-ML-1, at 27; D.P.U. 15-155, at 479-480). According to Acadia Center, a fully volumetric rate for small C&I customers would protect them, provide them understandable price signals to make informed decisions, and promote energy efficiency (Acadia Center Brief at 16, citing Exh. AC-ML-8, at 2).

ii. Cape Light Compact

Cape Light Compact opposes demand charges for small C&I customers (Cape Light Compact Brief at 72; Cape Light Compact Reply Brief at 14). Cape Light Compact argues that non-coincident peak demand charges for small C&I customers violate the rate design principles of simplicity and efficiency (Cape Light Compact Brief at 72).

According to Cape Light Compact, Eversource did not: (1) determine whether small C&I customers are able to understand and adapt to demand charges; (2) develop an education plan on demand charges; or (3) provide data on small C&I monthly energy and demand use (Cape Light Compact Brief at 72, citing Tr. 17, at 3510-3513; Cape Light Compact Reply Brief at 14). Thus, Cape Light Compact argues that demand charges are punitive and burdensome to customers with low annual kWh usage and occasional high demand (Cape Light Compact Brief at 72).

Further, Cape Light Compact maintains that demand charges provide customers with less cost control on their bills and provide a signal for inefficient behavior (Cape Light Compact Brief at 72, citing Exh. CLC-JFW-1, at 18; Cape Light Compact Reply Brief at 14). Cape Light Compact adds that demand charges reduce the incentive for customers to install energy efficiency measures and to reduce their electricity consumption, and, therefore, the Companies' demand charge proposal ignores Department precedent (Cape Light Compact Brief at 14-15, citing D.P.U. 15-80/15-81, at 295; D.P.U. 10-70, at 332).

Moreover, Cape Light Compact maintains that, although the Companies assert that the Department has approved demand charges for every distribution company's C&I customers, approximately 30,000 Commonwealth Electric Rate G-1 customers take service on non-demand rates (Cape Light Compact Brief at 14, citing Exh. ES-RDP-4, Sch. RDP-2 (East)). Therefore, Cape Light Compact recommends that the Department reject any demand charge proposed for small C&I customers (Cape Light Compact Brief at 79, 81).

iii. NECEC

According to NECEC, the Companies' proposed non-coincident peak demand charge for small C&I customers weakens the alignment between costs and rates and is not reflective of cost causation (NECEC Brief at 11, citing Exhs. ES-RDP-2, Sch. RDP-5; ES-RDP-4, Sch. RDP-2; NECEC Reply Brief at 3). NECEC maintains that a non-coincident peak demand charge is inappropriate because distribution costs are driven by coincident peaks (NECEC Brief at 11, citing Exhs. CLC-JFW-1, at 16; SREF-TW/MW-1, at 22-23; UMASS-RS-1, at 21; VS-NP/RG-1, at 35).

Moreover, NECEC alleges that stand-alone net metering customers do not contribute to consumptive demand on the Companies' system, and, instead, they provide demand-related benefits (NECEC Brief at 12, citing Exh. SREF-TW/MW-1, at 32 (Supp.)). Therefore, NECEC contends that it is illogical and counterproductive to move customers with distributed generation that are currently on time-varying rates to new rate classes with demand charges (NECEC Brief at 12, citing Exh. SREF-TW/MW-1, at 32 (Supp.)). Accordingly, NECEC argues that moving customers from a time-varying rate to a rate class with a demand charge may impose unjustified financial consequences and create "meaningless" price signals (NECEC Brief at 12-13, citing Exh. SREF-TW/MW-1, at 33 (Supp.)); NECEC Reply Brief at 3-4, citing Exhs. AC-ML-1, at 26-28, 30; CLC-JFW-1, at 16; SREF-TW/MW-1, at 7-8, 22-23; SREF-TW/MW-1, at 14, 35 (Supp.); SREF-TW/MW-1 (Surr.) at 10-12; UMASS-RS-1, at 22; VS-NP-1, at 32-33, 35).

iv. Sunrun and EFCA

According to Sunrun and EFCA, the Companies proposed a rate design that includes a non-coincident peak demand charge for small C&I customers (Sunrun and EFCA Brief at 11, citing Exh. ES-RDP-1, at 85). Sunrun and EFCA allege that the Department rejected a similar proposal on demand charges in National Grid's most recent rate case (Sunrun and EFCA Brief at 12, citing D.P.U. 15-155, at 457-458).

First, Sunrun and EFCA allege that the Companies' non-coincident peak demand charge proposal contradicts the Department's finding that "although pricing distribution service on demand use may support the cost to serve principle; it is not the best rate structure to promote energy efficiency," because Sunrun and EFCA claim that Eversource states that: (1) demand charges more accurately represent a customer's use of the distribution system than energy charges do; and (2) distribution system planning is based on facilities that service the maximum demand from each customer (Sunrun and EFCA Brief at 12-13, citing Exh. ES-RDP-1, at 14-15; D.P.U. 15-155, at 459). Second, Sunrun and EFCA argue that the Companies' non-coincident peak demand charges contradict the Department's finding that non-energy charges "distort incentives to conserve electricity, may unfairly impose higher costs on certain customers, and discourage customers from investing in cost-effective energy efficiency" (Sunrun and EFCA Brief at 13, citing D.P.U. 15-155, at 459). Specifically, Sunrun and EFCA argue that Eversource's proposal is intended to increase cost recovery and not to incentivize certain customer actions (Sunrun and EFCA Brief at 13, citing Tr. 18, at 3573-3577). Third, Sunrun and EFCA maintain that Eversource did not

design an education or outreach program and failed to evaluate customers' knowledge of demand charges, even though Sunrun and EFCA claim that the Department rejected National Grid's demand charge-based proposal for the same reasons in D.P.U. 15-155 (Sunrun and EFCA Brief at 13-14, citing D.P.U. 15-155, at 459-460; Exh. ES-RDP-Rebuttal-1, at 1-13; Tr. 17, at 3510-3511). Finally, Sunrun and EFCA contend that Eversource's non-coincident peak demand charge proposal does not include meters that can record the time and date of a customer's maximum demand, which Sunrun and EFCA allege contradicts the Department's finding in D.P.U. 15-155 that customers should have the ability to monitor electricity consumption in real time in order for a company to implement non-coincident peak demand charges (Sunrun and EFCA Brief at 14-15, citing D.P.U. 15-155, at 460; Tr. 16, at 3305, 3354-3355). Accordingly, Sunrun and EFCA assert that customers will not know when they are using two demand-intensive appliances, such as a clothes dryer and an electric water heater, at the same time (Sunrun and EFCA Brief at 15).

Further, Sunrun and EFCA argue that the Companies did not provide information on the customer bill impacts of a 15-minute demand interval for rate classes that do not have demand charges (Sunrun and EFCA Brief at 15).⁴⁹ Moreover, Sunrun and EFCA claim that, although the Companies allege that their rate design will support storage, Eversource did not offer proof with any studies or any supporting evidence (Sunrun and EFCA Brief at 16, citing Tr. 16, at 3378, 3384; Sunrun and EFCA Brief at 17).

⁴⁹ When demand is measured at 15-minute intervals, the demand meter captures a customer's highest usage in any 15-minute period (Exh. ES-RDP-1, at 14).

Sunrun and EFCA claim that non-coincident peak demand charges “fl[y] in the face of all conventional wisdom” because a utility’s consumption at system peak determines the amount of capacity that it must have available, not consumption at a customer’s peak (Sunrun and EFCA Brief at 15, citing NARUC Manual on Distributed Energy Rate Design and Compensation/The Economics of Regulation, Alfred Kahn). Therefore, Sunrun and EFCA recommend that the Department reject the Companies’ non-coincident peak demand charge proposal because it “lacks a sufficient basis” for approval (Sunrun and EFCA Brief at 16, 17).

v. Vote Solar

Vote Solar argues that demand charges billed to small C&I customers violate the Department’s ratemaking principles of simplicity and fairness (Vote Solar Brief at 16). According to Vote Solar, a non-coincident peak demand charge is not an appropriate determinant of cost causation for small C&I customers because their consumption does not alter the local distribution system peak (Vote Solar Brief at 17, citing Exh. VS-NP-RRD-Surrebuttal-1, at 6). Moreover, Vote Solar maintains that small C&I customers do not understand demand charges (Vote Solar Brief at 17, citing Exhs. VS-NP/RG-1, at 31-33; AC-ML-1, at 25; Vote Solar Reply Brief at 7). According to Vote Solar, the Companies did not conduct a survey of small C&I customers to determine their knowledge of demand charges and did not develop an education plan for their edification (Vote Solar Brief at 17, citing Tr. 17, at 3511). Therefore, Vote Solar alleges that small C&I customers that are billed a non-coincident peak demand charge do not have an

incentive to reduce their demand during peak periods, and the Companies are forgoing the opportunity to encourage their customers to reduce generation, transmission, and distribution costs, as well as to lower future costs by avoiding construction of additional infrastructure (Vote Solar Reply Brief at 7).

Further, Vote Solar claims that Eversource did not design non-coincident peak demand charges for small C&I customers to allow the Companies to recover the cost of providing service, because the Companies do not incur costs based on non-coincident peak demand (Vote Solar Reply Brief at 6-7, citing D.P.U. 12-25, at 444-445). According to Vote Solar, a non-coincident peak demand charge does not incentivize customers to modify their usage behavior to promote savings to the system overall (Vote Solar Reply Brief at 7). Accordingly, Vote Solar argues that the Companies' sole focus on rate design as a vehicle for cost recovery is misplaced and it purports that rate design should also promote energy efficiency (Vote Solar Reply Brief at 7). Therefore, Vote Solar maintains that the Department should deny demand charges for small C&I customers (Vote Solar Brief at 17).

vi. Companies

Eversource argues that the Department should reject arguments of Acadia Center, Cape Light Compact, NECEC, Sunrun and EFCA, and Vote Solar (Companies Brief at 41, 42; Companies Reply Brief at 23, 25, 32, 44, 51-52). The Companies maintain that demand charges for small C&I customers do not violate the rate design principles of simplicity and efficiency (Companies Brief at 41).

According to the Companies, the Department has approved C&I demand charges for many years, and the Companies have implemented rate structures that include demand charges for small C&I customers for decades (Companies Brief at 41; Companies Reply Brief at 23, citing Exh. ES-RDP-Rebuttal-1, at 24-25 (August 22, 2017)). Eversource maintains that it currently bills a demand charge for 64,333 out of 64,513 customers that it proposes to transfer to the new aligned Rate G-1 (Companies Brief at 41, citing Exh. ES-RDP-2 (ALT1), Sch. RDP-2, at 2 (East); Companies Reply Brief at 23-24 n.11; 30, citing Exh. ES-RDP-2 (ALT1), Sch. RDP-2, at 2 (East)).⁵⁰ Further, Eversource adds that it evaluated bill impacts and proposed a mitigation plan to address the effect of moving a small number of customers taking service on legacy rate classes without demand charges to aligned rate classes that include a demand charge (Companies Reply Brief at 4). Eversource also notes that every electric distribution company in Massachusetts utilizes rate structures with a demand charge (Companies Brief at 41, citing Exh. ES-RDP-Rebuttal-1, at 24-25 (August 22, 2017)). Therefore, the Companies assert that there is no evidence showing that small C&I customers do not understand demand charges (Companies Reply Brief at 23, 30).

Moreover, the Companies allege that demand charges send the correct price signals to customers because Eversource constructed its distribution system on the basis of meeting

⁵⁰ In response to Cape Light Compact's claim that approximately 30,000 Rate G-1 customers are not currently taking service on a demand rate, Eversource responds that it proposes to move the approximately 30,000 legacy Rate G-1 customers in the Commonwealth Electric Company territory without demand meters to the new aligned Rate G-1 (non-demand) rate class (Companies Reply Brief at 24, citing Exh. ES-RDP-4, Sch. RDP-2 (East)).

capacity and not volumetric throughput (Companies Brief at 41, citing Exh. ES-RDP-2 (ALT1), Sch. RDP-2, at 25 (East)). Eversource claims that its distribution costs are driven by a variety of demand measures (Companies Reply Brief at 52). According to the Companies, distribution assets close to the customers' load are more closely correlated with customer non-coincident peak demand, while assets further from the customers' load (e.g., substations) are more closely correlated with aggregated measures of demand (Companies Reply Brief at 52). Moreover, the Companies maintain that their assets were constructed to serve their customers' loads and the costs for these assets cannot be avoided through a reduction in kWh (Companies Brief at 41). According to Eversource, billing customers based on volumetric usage sends the least efficient price signal for distribution service and does not reflect cost causation because kWh usage does not inform distribution system planning (Companies Brief at 42; Companies Reply Brief at 44). Further, the Companies claim that energy charges are not a better measure than demand charges of the costs for all components of the distribution system (Companies Reply Brief at 52). Eversource argues that per-kWh rates provide an inexact price signal to a customer affording the same incentive to reduce load at midnight or at 6:00 p.m. (Companies Reply Brief at 52).

In response to Vote Solar's argument that demand charges based on non-coincident peak demand are not appropriate for determining cost causation, the Companies assert that Vote Solar's argument is inaccurate because, they claim, there is no advantage of a demand charge based on coincident peak for recovering base distribution costs (Companies Brief at 41, citing Exh. DPU-60-3). Further, Eversource contends that NECEC, Sunrun and

EFCA, and Vote Solar's definition of coincident peak confuses this issue (Companies Brief at 41). According to the Companies, these intervenors define coincident peak as the peak demand that occurs relative to the local distribution system peak (Companies Brief at 41). Eversource maintains that coincident peak is defined as the peak demand at the time of aggregate distribution system peak (Companies Brief at 41). The Companies argue that they do not meter customers on the basis of local distribution peaks or rate class peaks because it is not practical, and Eversource adds that if it did, customers would be charged based on a complex array of location-based rates that would be difficult to understand and respond to (Companies Brief at 42; Companies Reply Brief at 43).

Further, the Companies assert that billing customers based on coincident peak demand does not provide efficient price signals to customers because customers do not know when the coincident peak demand occurs (Companies Brief at 42). However, the Companies argue that customers have direct control over their individual peak demand, and, therefore, non-coincident peak demand charges do not reduce a customer's ability to control its electric bill (Companies Brief at 42; Companies Reply Brief at 23). Moreover, the Companies add that demand charges do not reduce incentives to invest in conservation and energy efficiency measures because lower wattage appliances reduce both demand and energy (Companies Reply Brief at 23). Therefore, Eversource argues that a demand charge provides a price signal to customers to base decisions regarding efficient use and bill management (Companies Reply Brief at 23).

In response to the claim that the Department's decision in D.P.U. 15-155 regarding demand charges for small C&I customers should apply here, Eversource argues that it distinguishes its proposed, aligned Rate G-1 demand rate structure from National Grid's proposal (Companies Reply Brief at 51, citing D.P.U. 15-155, at 459). According to the Companies, National Grid proposed to bill demand charges to small C&I customers that had not previously been billed a demand charge (Companies Reply Brief at 51). Conversely, Eversource maintains that it proposes to continue to bill small C&I customers a demand charge (Companies Reply Brief at 51). Moreover, National Grid proposed customer charges and not a demand charge (Companies Reply Brief at 40). Further, the Companies assert that if they were to eliminate the demand charge for some small C&I customers, these customers would experience significant bill impacts if they have load factors greater than the class average (Companies Reply Brief at 51-52).

For these reasons, Eversource maintains that non-coincident peak demand is the appropriate billing determinant for demand charges (Companies Reply Brief at 52). The Companies allege that rate design balances several competing principles and no single rate design can perfectly reflect efficient and cost-based rates while also maintaining simplicity and gradualism (Companies Reply Brief at 44). Accordingly, Eversource explains that the Department must balance all of these guiding rate design principles as well as prevailing public policies (Companies Reply Brief at 44).

c. Analysis and Findings

As an initial matter, the Department notes that, contrary to assertions discussed above, National Grid did not propose demand charges for its residential and small C&I customers in D.P.U. 15-155. Rather, National Grid proposed tiered customer charges based on a customer's maximum kWh use in a billing month over the last twelve billing months for its residential and small C&I customers. D.P.U. 15-155, at 401-403. The customer charge tier would have been effective for twelve months and would not change based on the customer's actual maximum kWh use in each billing month. D.P.U. 15-155, at 401-403. Each tier was defined by a kWh consumption range and was intended to serve as a proxy for the customer's size based on the customer's estimated monthly maximum demand. D.P.U. 15-155, at 402. Since National Grid did not propose actual demand charges for its residential and small C&I customers, the Department's findings in that case do not apply to Eversource's demand charge proposal in this proceeding.

In Section IV.D.5.c.ii above, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Therefore, existing rate designs for small C&I customers will remain the same. The Department has approved C&I demand charges for many years for Eversource's legacy companies, and the Companies have implemented rate structures that include demand charges for small C&I customers for decades (Exh. ES-RDP-Rebuttal-1, at 24-25 (August 22, 2017)). Western Massachusetts Electric Company, D.T.E. 06-55, at 21-22 (2006); Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, NSTAR Gas Company,

D.T.E. 05-85, at 31 (2005). Moreover, Eversource estimates that 89,901 small C&I customers are not currently billed on a rate that includes a demand charge (Exh. AC-1-16).⁵¹ Therefore, it is not necessary for these customers to receive a targeted education plan because small C&I customers without demand charges will not be billed demand charges under the approved rate design, and small C&I customers that have been billed demand charges for decades will continue to be billed demand charges based on their existing rate structures.

Further, while these non-coincident peak demand charges have been in existence for small C&I customers for decades, Eversource has achieved an award winning energy efficiency program (Tr. 2, at 353-356). Eversource leads the nation in executing its energy efficiency programs, and its customers receive savings from these programs at unprecedented rates (Tr. 2, at 391). Accordingly, the existence of demand charges has not inhibited the Companies from successfully implementing energy efficiency programs that provide savings to their customers. Moreover, energy efficiency programs may seek to reduce peak demand as well as usage, and energy efficiency cost-benefit analyses account for the economic benefit of reductions in both peak demand and energy (Exh. ES-RDP-Rebuttal-1, at 27 (August 22, 2017)). Further, the three-year, statewide energy efficiency plan regarding specific actions for the 2016 through 2018 term identifies demand reduction initiatives as a beneficial resource. Three-Year Energy Efficiency Plans, D.P.U. 15-160 through D.P.U. 15-169, at 142 (2016); see G.L. c. 25, § 21(b)(1).

⁵¹ Boston Edison Company's Rate G-1; Cambridge Electric Light Company's Rate G-0, Rate G-5, and Rate G-6; Commonwealth Electric Company's Rate G-1, Rate G-5, and Rate G-6; and WMECo's rate classes Rate 23, G-0 (Exh. AC-1-16).

Demand charges comprise an efficient rate structure that distinguishes between those costs that vary with changes in the energy delivered and those costs that vary with plant capacity, which are driven by peak demand on circuits (Exh. ES-RDP-Rebuttal-1, at 24-45 (August 22, 2017)). D.P.U. 10-70, at 332. For all these reasons, the Department finds that demand charges for Eversource's small C&I customers are consistent with Department ratemaking goals (Exh. ES-RDP-Rebuttal-1, at 24-25 (August 22, 2017)). The Department evaluates compliance with Section 141 by rate class in Section IV.K below.

3. Determination of Billing Demand

a. Introduction

Eversource proposes to eliminate kilovolt-ampere ("kVA") demand billing (Exh. ES-RDP-1, at 25). Currently, WMECO bills exclusively using kW, while NSTAR Electric typically uses kW billing for the small C&I use customers and kVA billing for its large customers. (Exh. ES-RDP-1, at 25).⁵² The Companies cannot bill NSTAR Electric's small C&I customers and any of WMECO's customers for demand using kVA because these customers' meters lack the capability of measuring demand in kVA (Exh. ES-RDP-1, at 25-26). The Companies propose to establish kW billing demand as a uniform standard across the Eversource system (Exh. ES-RDP-1, at 25-26).

⁵² NSTAR Electric's demand billing based on kVA requires customers to pay for the cost of their power factor requirement (Tr. 17, at 3442). At its simplest level, power factor is the ratio of the power that an electrical device draws from the main supply and the power that it actually consumes. Power factor is the ratio of a customer's kW to kVA (Tr. 17, at 3442). An ideal power factor is 1.0. A power factor less than 1.0 might be the result of the electrical device, such as inductive motors or florescent lights, operating out of phase with the utility's distribution system.

The Companies propose a power factor correction provision for the proposed aligned Rate G-2, Rate G-3, and Rate G-4 (RR-DPU-51, Att. (c) at 20, 24, 27). The provision states: “If a [c]ustomer is found to have a power factor less than 90 [percent] lagging, the Company may require correction to at least 90 [percent] lagging as a condition of service. If the [c]ustomer does not correct the power factor to at least 90 [percent] lagging and the Company corrects the condition, the customer will reimburse the Company for all costs which it incurs.” (RR-DPU-51, Att. (c) at 20, 24, 27).

b. Positions of the Parties

i. TEC

TEC recommends that the Department retain kVA demand billing (TEC Brief at 6; TEC Reply Brief at 9). According to TEC, removing kVA demand billing will result in poor outcomes for the distribution system, ratepayers, and the Companies (TEC Brief at 5-6; TEC Reply Brief at 9).

According to TEC, low power factor customers are typically those with inductive loads (e.g., heavy motors or pumps), that require a greater amount of distribution system capacity reactive power, and that incur greater losses caused by the difference between real power (measured in kW) and apparent power (measured in kVA) (TEC Brief at 6). TEC explains that a customer with a low power factor draws more current from the distribution system than a customer with a high power factor holding the amount of power consumed constant (TEC Brief at 6). Thus, TEC argues that low power factor customers cause higher costs on the distribution system (TEC Brief at 6).

Moreover, TEC contends that billing demand based on kVA incentivizes customers to correct their power factor without encouragement from the Companies and thereby reduces costs for all ratepayers (TEC Brief at 6). TEC asserts that kVA demand billing is appropriate to avoid cross subsidies (TEC Brief at 7). According to TEC, many NSTAR Electric customers have invested in equipment to improve their power factors because the kVA demand billing compelled them to do so (TEC Brief at 6). TEC argues that these investments will become stranded assets because customers will no longer receive a financial benefit from them (TEC Brief at 7).

Further, TEC contends that the Companies admitted that eliminating kVA demand billing is not ideal, but a necessary requirement to move all customers across NSTAR Electric and WMECo to the same platform because kVA demand billing is not available for WMECo (TEC Brief at 7, citing Tr. 17, at 3432-3433; TEC Reply Brief at 9, citing Tr. 17, at 3442-3443). However, TEC argues that the Companies' explanation does not alone justify its proposal to eliminate kVA demand billing (TEC Brief at 7). Moreover, TEC alleges that kVA demand billing is an incremental source of revenue for the Companies that they will forego when implementing kW demand billing system-wide (TEC Brief at 7). For all these reasons, TEC recommends that the Department reject the Companies' proposal to eliminate kVA demand billing (TEC Brief at 6, 7; TEC Reply Brief at 9).

ii. Companies

According to the Companies, TEC's recommendation to retain kVA demand billing is impractical (Companies Reply Brief at 29, citing TEC Reply Brief at 9). Eversource maintains that WMECo lacks the kVA data to align rates (Companies Reply Brief at 29). According to the Companies, they would have to maintain legacy rate classes to continue kVA demand billing (Companies Reply Brief at 29). Further, Eversource contends that there is no evidence showing the bill impacts to customers on an intra-class basis of retaining kVA demand billing (Companies Reply Brief at 29).

c. Analysis and Findings

In Section IV.D.5.c.ii above, the Department directed the Companies to retain their legacy C&I rate classes at this time. Therefore, the Companies' proposal to establish kW billing demand as a uniform standard across the Eversource system is moot because the Companies need not eliminate kVA billing in the instant case. Accordingly, Eversource is directed to continue to bill for demand using its current methods.

4. Time of Use Rate Design

a. Introduction

i. Time of Use Peak Period

Eversource's current TOU periods vary by legacy service territory (Exh. ES-RDP-1, at 26). WMECo currently uses a 12 p.m. to 8 p.m. weekday peak period (Exh. ES-RDP-1, at 26). Boston Edison Company's weekday peak period is 9 a.m. to 6 p.m. in the summer and 8 a.m. to 9 p.m. in the winter (Exh. ES-RDP-1, at 26). Cambridge Electric Light

Company and Commonwealth Electric Company use a 9 a.m. to 6 p.m. weekday peak period when Eastern Daylight Savings time is in effect and a 4 p.m. to 9 p.m. weekday peak period when Eastern Standard Time is in effect (Exh. ES-RDP-1, at 26). The Companies proposed to use 9 a.m. to 6 p.m. weekdays prevailing time as the peak period definition, applicable to their proposed consolidated and aligned C&I rate classes (Exh. ES-RDP-1, at 26).

Alternatively, TEC proposed a summer peak period of 1 p.m. to 7 p.m. and a winter peak period of 4 p.m. to 9 p.m., applicable to the Companies' proposed consolidated and aligned C&I rate classes (Exh. TEC-JB-1, at 5). According to TEC, its proposed peak TOU periods capture 100 percent of Eversource's monthly summer distribution system peak demands and more than 70 percent of Eversource's monthly winter distribution system peak demands (Exh. TEC-JB-1, at 5).

In Section IV.D.5.c.ii above, the Department directed the Companies to retain their legacy C&I rate classes at this time. Therefore, this issue is moot and it is unnecessary to set forth the arguments of the parties on this issue.

ii. Time of Use Rate Design

The Companies' current legacy rate classes include a variety of TOU rate design options (see, e.g., M.D.T.E. Nos. 123F, 133F). All of NSTAR Electric's residential customers may take service on an optional TOU rate, which includes a rate design with a higher per-kWh volumetric rate during each legacy company's defined peak period (M.D.T.E. Nos. 123F, 224G, 225G, and 325F). WMECo's residential customers do not currently have an available optional TOU rate. Some C&I customers take service under

TOU rates (Exh. ES-RDP-9, at 14-15). Boston Edison Company offers Rate T-1 (optional TOU) and Rate T-2 (TOU) (Exh. ES-RDP-9, at 14). Cambridge Electric Light Company offers Rate G-2 (TOU secondary service), Rate G-3 (TOU 13.8 kV service), Rate G-4 (optional TOU), and Rate G-6 (optional TOU) (Exh. ES-RDP-9, at 14). Commonwealth Electric Company offers Rate G-2 (medium TOU or large TOU secondary service), Rate G-3 (large TOU), and Rate G-7 (optional TOU) (Exh. ES-RDP-9, at 15).

b. Positions of the Parties

i. Acadia Center

Acadia Center maintains that the Department should approve time-varying rates for residential and small C&I customers (Acadia Center Brief at 20). According to Acadia Center, the Department already has signaled a future with time-varying rates (Acadia Center Brief at 20, citing D.P.U. 12-76-B; D.P.U. 14-04-C). Further, time-varying rates are under consideration in the pending grid modernization dockets (Acadia Center Brief at 20, citing Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 15-120 (grid modernization plan); Fitchburg Gas and Electric Light Company, D.P.U. 15-121 (grid modernization plan); D.P.U. 15-122).

Acadia Center asserts that properly designed time-varying rates provide savings to customers and optimize the electric system (Acadia Center Brief at 20). According to Acadia Center, low customer participation in the Companies' TOU rate classes is caused by the Companies' failure to effectively promote and explain these rates to customer (Acadia Center Brief at 20, citing Tr. 18, at 3605-3606). Acadia Center contends that The United

Illuminating Company, a Connecticut electric distribution utility, achieved 23-percent adoption of simple TOU rates for residential customers (Acadia Center Brief at 20, citing Exhs. AC-ML-6; AC-ML-1, at 29).

Acadia Center recommends that the Companies' existing TOU rates be redesigned according to the Department's rate design goals (Acadia Center Brief at 21, citing Exh. AC-ML-1, at 30-31). For example, Acadia Center argues that the Companies' proposed peak period for C&I customers is not aligned with cost-causation because the system peak sometimes falls outside the 9 a.m. to 6 p.m. peak window (Acadia Center Brief at 21, citing RR-WMIG-1). Acadia Center contends that this scenario may inadvertently encourage a higher peak usage (Acadia Center Brief at 21, citing Exh. AC-ML-1, at 31).

In response to the Companies' argument that distribution TOU rates are not appropriate because the peak and off-peak periods may conflict with peak and off-peak periods for energy supply, Acadia Center agrees, but recommends that, in the short term for simplicity purposes, the peak periods should be aligned between energy supply, transmission, and distribution (Acadia Center Reply Brief at 9, citing Exh. AG-ML-1, at 4). Acadia Center agrees with the peak period definition that WMIG and TEC recommend (Acadia Center Reply Brief at 9, citing TEC Brief at 10-14). Acadia Center contends that, in the long-run, TOU rates should be more granular and incent behavior of different types of customers at different locations (Acadia Center Reply Brief at 9, citing Exh. AC-ML-1, at 28). While Acadia Center makes this recommendation regarding its vision for long-run

time-varying rates, it suggests that it is outside the scope of this proceeding (Acadia Center Brief at 9).

Further, Acadia Center maintains that the Department should carefully consider the Companies' proposed redesign of small C&I TOU rates to avoid undermining existing incentives for net metering customers (Exh. AC-ML-1, at 32-22). Acadia Center argues that Eversource's proposals to eliminate TOU rates and replace them with rate designs that include demand charges "are a damaging step backwards" (Acadia Center Brief at 20, citing Exh. AC-ML-1, at 28, 31-32). Accordingly, Acadia Center recommends that the Department direct the Companies to offer an opt-in TOU rate for residential and small C&I customers (Acadia Center Brief at 20).

ii. NECEC

NECEC recommends that Eversource retain all current optional TOU rates for all rate classes (NECEC Brief at 8). NECEC argues that customers use electricity at different times of the day, which imposes different costs throughout the day to the distribution system, and therefore, an efficient rate design should reflect this pattern (NECEC Brief at 9). According to NECEC, energy consumption during the time of the system peak causes higher distribution costs (NECEC Brief at 9, citing Exhs. AC-ML-1, at 26; CLC-JFW-1, at 16; SREF-TW/MW-1, at 7; VS-NP-1, at 32-33; SREF-TW/MW-1 (Supp.) at 14; SREF-TW/MW-1 (Surr.) at 10-12)). Thus, NECEC alleges that a rate design that charges customers a higher price for usage during peak periods creates a stronger link between the rate design and the distribution costs it is designed to recover, and further provides customers

with an incentive to reduce their consumption and their own costs, which reduces system costs (NECEC Brief at 10, citing Exhs. SREF-TW/MW-1, at 7; SREF-TW/MW-1 (Supp.) at 35); NECEC Reply Brief at 3-4).

Further, NECEC argues that a TOU rate design structure improves the cost efficiency of the distribution system because it sends price signals to customers that reflect cost causation (NECEC Brief at 10, citing Exhs. AC-ML-1, at 27, 28; NECEC Reply Brief at 3-4). NECEC contends that Eversource's proposal to eliminate all of its optional TOU rates and to place these customers on rates that do not impose a peak period price signal, will weaken the link between its rate design and the costs to efficiently operate its distribution system (NECEC Brief at 10-11, citing Exhs. ES-RDP-1, at 16, 42-44, 53; ES-RDP-4, Sch. RDP-1). NECEC maintains that the Companies' one new TOU option for small commercial customers is insufficient because the price differential between the on- and off-peak periods is too small (NECEC Brief at 12, citing Exhs. AC-ML-1, at 31; ES-RDP-4 (East), Sch. RDP-3, at 3; ES-RDP-5, Sch. RDP-1, at 1). Thus, NECEC contends that the design of proposed Rate G-5 mutes its price signal (NECEC Brief at 12). Therefore, NECEC recommends that the Department direct Eversource to maintain its current TOU design or to allow gradual rate design changes that maintain the current price signals (NECEC Brief at 12).

Moreover, NECEC disputes Eversource's argument that TOU rates are not appropriate for distribution rates because the distribution system is built to recover the cost to meet the peak demand (NECEC Brief at 13, citing Exhs. ES-RDP-1, at 16; DPU-18-11).

According to NECEC, Eversource ignores the fact that customers can control their costs during peak periods if the rate design provides them the proper price signal (NECEC Brief at 13, citing Exhs. AC-ML-1, at 25, 29; SREF-TW/MW-1, at 32; CLC-JFW-1, at 14, 16; SREF-TW/MW-1 (Supp.) at 36). Further, NECEC asserts that low adoption of Eversource's current residential rates does not necessarily imply lack of interest from customers, but, instead, could reflect a lack of information or poor marketing (NECEC Brief at 13, citing Exhs. AC-ML-1, at 29; SREF-TW/MW-1 (Supp.) at 35). Moreover, NECEC argues that distribution and transmission costs, which have time varying bases, could be coordinated with TOU rates for energy rates proposed in D.P.U. 15-122 (NECEC Brief at 13, citing Exh. AC-ML-1, at 29-30).

Finally, NECEC alleges that Eversource's rate design proposal is not consistent with the Department's "vision for the future" (NECEC Brief at 13). According to NECEC, the Department set forth a plan for the utility industry future that will provide customers timely information about their electricity consumption and costs so that customers could respond by reducing or shifting consumption and reducing costs to all customers (NECEC Brief at 13-14, citing Modernization of the Electric Grid, D.P.U. 12-76-B at 1-2, 9 (2014); Time Varying Rates, D.P.U. 14-04-B at 1 (2014); D.P.U. 15-155 at 383, 384). Therefore, NECEC asserts that, although the Department is pursuing pricing options to provide price signals to customers regarding the link between consumption and distribution system costs, Eversource is eliminating rate design that can assist in achieving these goals (NECEC Brief at 14, citing

D.P.U. 15-120; D.P.U. 15-121; D.P.U. 15-122). For all these reasons, NECEC urges the Department to reject the Companies' proposal to eliminate TOU rates (NECEC Brief at 14).

iii. Companies

According to the Companies, residential TOU rates should not be implemented because they will conflict with time varying basic service rates, as directed by the Department in D.P.U. 14-04-B (Companies Brief at 45). The Companies maintain that distribution peaks for residential customers based on customer load profiles do not align with basic service peak periods, which are based on ISO-NE peaks reflecting market-based pricing (Companies Brief at 45-46).

Moreover, the Companies assert that many customers have not adopted existing residential TOU rates (Companies Brief at 46). According to Eversource, only 0.02 percent of residential customers take service on its TOU rates (Companies Brief at 46). The Companies argue that it would be difficult for residential customers to avoid peak period rates because residential customers do not have the ability to shift or reduce load (Companies Brief at 46).

In response to Acadia Center's argument that TOU rates should be redesigned to eliminate demand charges, the Companies disagree and maintain that peak period pricing should be based on demand because the distribution system is capacity based⁵³ (Companies Brief at 45; Companies Reply Brief at 32). The Companies assert that the volume of energy

⁵³ The Companies maintain that capacity requirements at different points on the distribution system, such as the substation, circuit, and customer service point, guide distribution system planning (Companies Brief at 45; Companies Reply Brief at 32).

delivered in a peak or off-peak period has little bearing on distribution system planning (Companies Reply Brief at 32). According to the Companies, the volume of energy delivered in a peak period versus an off-peak period has little influence on system planning, and, therefore, Eversource asserts that TOU rates have no basis for distribution pricing (Companies Brief at 45). In addition, Eversource adds that various intervenors acknowledge that distribution system planning is based on capacity, and not energy, via their arguments on NCP demand rates for residential and small C&I customers (Companies Reply Brief at 32).

Finally, the Companies allege that the Department has signaled a departure from TOU distribution rates (Companies Brief at 45, citing D.P.U. 14-04-B at 14; Companies Reply Brief at 32). Therefore, the Companies allege that TOU rates are not more beneficial than demand charges for small C&I customers (Companies Reply Brief at 32).

c. Analysis and Findings

i. Peak Period Definition

As stated above, with the Department's directive that the Companies retain their legacy C&I rate classes at this time, this issue is moot. The Companies will not alter the TOU peak period in the instant case. Accordingly, the Department directs Eversource to continue to define the peak period as currently defined (see M.D.P.U. No. 1005W at 1; M.D.P.U. No. 1008W at 1; M.D.P.U. No. 1007W at 1; M.D.P.U. No. 1049B at 1; M.D.T.E. No. 132F at 2-3; M.D.T.E. No. 133F at 2; M.D.T.E. No. 134F at 3; M.D.T.E. No. 232G at 3; M.D.T.E. No. 233G at 2-3; M.D.T.E. No. 234G at 2-3;

M.D.T.E. No. 236G at 2-3; M.D.T.E. No. 331F at 3; M.D.T.E. No. 332F at 3;
M.D.T.E. No. 336F at 5).

ii. Time of Use Rate Design

The Department has determined that the goals of designing utility rate structure are to achieve efficiency and simplicity as well as to ensure continuity of rates, fairness between rate classes, and corporate earnings stability. D.P.U. 15-155, at 383. In order to achieve the rate structure goal of simplicity, the Companies proposed to consolidate and align their rate classes across the Eversource system to a single set of tariffs governing base distribution rates for both NSTAR Electric and WMECo (Exh. ES-RDP-1, at 8-9). In doing so, the Companies proposed to eliminate the following current residential rates: (1) Boston Edison Company Rate R-4 (M.D.T.E. No. 123F), Cambridge Electric Light Company Rate R-5 and Rate R-6 (M.D.P.U. No. 224; M.D.P.U. No. 225), and Commonwealth Electric Company Rate R-6 (M.D.P.U. No. 325). In Section IV.D.5.c.i & n.29 above, the Department allowed the Companies' proposal to eliminate their optional residential TOU rates in order to consolidate and align their residential rates and tariffs to better achieve the rate structure goal of simplicity. Further, there are very few customers who take service on these rates (Exh. DPU-15-1, Att. (a) at 3). Moreover, the Department has determined that there is not a sufficient cost basis to require time varying distribution rates. D.P.U. 14-04-B at 13-14. Accordingly, the Department allows the Companies' proposal to eliminate their optional, residential TOU distribution rates.

In Section IV.D.5.c.ii, the Department directed the Companies to retain their legacy C&I rate classes at this time. The Companies will not alter their TOU C&I rates in the instant case. Accordingly, the Department directs Eversource to continue to bill its C&I rates in accordance with the directives in this Order.

H. Reconciling Mechanisms

1. Transmission Service Cost Adjustment

a. Introduction

The Transmission Service Cost Adjustment (“TSCA”) (proposed M.D.P.U. No. 518) recovers the charges that the Companies incur under their Federal Energy Regulatory Commission (“FERC”) approved transmission tariffs (Exh. ES-RDP-14 (Part 4) at 259; RR-DPU-51, Att. (a) at 101). The Companies establish an annual TSCA factor based on a forecast of transmission costs and include a full reconciliation for any over- or under-recoveries occurring under the prior year’s adjustment (Exh. ES-RDP-14 (Part 4) at 259; RR-DPU-51, Att. (a) at 101).

b. Companies Initial Proposal

In their initial filing, the Companies proposed to develop a separate transmission revenue requirement for NSTAR Electric and WMECo for both 2018 and 2019 (Tr. 16, at 3232). The Companies proposed to allocate their transmission revenue requirement to rate classes on the basis of the each rate class’s average of its 12-month coincident peak (“12 CP”) (i.e., the class contribution to the Companies’ coincident system peak)

(Exh. ES-RDP-1, at 32; Tr. 16, at 3232).⁵⁴ The Companies performed this allocation separately for NSTAR Electric and WMECo rate classes, and then summed the results to create a class revenue target based on the proposed aligned rate classes (e.g., one transmission rate for both NSTAR Electric's and WMECo's proposed aligned Rate G-1, despite proposing separate distribution rates) (Tr. 16, at 3232).⁵⁵ Next, the Companies divided the allocated revenue requirement by either demand or energy to arrive at the applicable unit rate for each proposed aligned rate class (Exh. ES-RDP-1, at 31-32).⁵⁶ Eversource proposed to bill the transmission rate as an energy charge (per kWh) for residential customers and as a demand charge (per kW) for C&I customers (Exh. ES-RDP-1, at 32). The Companies proposed to apply the demand charges to the entire demand that a C&I customer registers (Exh. ES-RDP-1, at 32).

⁵⁴ The Companies currently employ this method in their WMECo service territory (Exh. ES-RDP-1, at 32). For NSTAR Electric, current transmission rates are calculated based on legacy allocations for Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (Tr. 16, at 3239). Every year in NSTAR Electric's annual TSCA filing, the company calculates the average transmission rate for NSTAR Electric (Tr. 16, at 3239). NSTAR Electric then increases the transmission rates for each legacy company by the same percentage as the overall NSTAR Electric increase in order to reach the average NSTAR Electric transmission rate (Tr. 16, at 3239). Thus, NSTAR Electric's current method has preserved transmission rate design based on the legacy rate class allocation, which was established during electric industry restructuring (Tr. 16, at 3239).

⁵⁵ Eversource proposed separate transmission rates for NSTAR Electric and WMECo to be effective in 2018 (Tr. 16, at 3231).

⁵⁶ Aligned rates classes refer to the standardized availability and applicability provisions for each rate class or tariff so that customers in Eastern Massachusetts and Western Massachusetts will be subject to a single set of rules (Exh. ES-RDP-1, at 8).

c. Companies Revised Proposal

The Companies proposed to change the allocation method for transmission rates in their revised rate design proposal (Exh. DPU-56-9, at 1, 5 (Supp.); Tr. 16, at 3231). For transmission rates in both 2018 and 2019, Eversource proposed to allocate transmission costs on the basis of the 12 CP for each rate class using the total transmission revenue requirement for both NSTAR Electric and WMECo (Exhs. DPU-56-9, at 1,5 (Supp.); DPU-63-15; Tr. 16, at 3232).

The Companies proposed to allocate the 2018 transmission revenue requirement on the basis of the 12 CP for each legacy rate class (Exhs. ES-RDP-8 (ALT1), WP RDP-11 (East); DPU-63-15). Eversource designed transmission rates based on the legacy rate design (Exh. DPU-63-15). For example, if the customer's legacy rate design was neither a straight per-kWh rate nor per-kW demand rate, then it was converted to the existing legacy rate design (Exhs. ES-RDP-8 (ALT1), WP RDP-13 (East); DPU-63-15).

During the proceeding, the Companies proposed to further modify the revised transmission allocation and revised rate design proposal, with an additional modification of the transmission revenue requirement allocation to Commonwealth Electric Company's legacy Rates G-7 and G-7S (Exhs. DPU-63-13; CLC-7-2 & Atts.).⁵⁷ In the June 1, 2017 revised rate design proposal, Eversource consolidated legacy Rate G-1 and Rate G-7/Rate G-7S for

⁵⁷ Commonwealth Electric Company's Rate G-7 is an optional C&I TOU rate, and Rate G-7S is an optional seasonal rate class for customers that would otherwise qualify for service on Rate G-7 (M.D.T.E. No. 336F; see also RR-DPU-51, Att. (a) at 514-518).

the purposes of allocating transmission costs, and the resulting rate design caused bill impacts of more than ten percent to some large low-load factor customers on Commonwealth Electric Company's legacy Rate G-7 (Exhs. ES-RDP-3 (ALT1), Sch. RDP-3 (East); CLC-7-2). The Companies stated that these bill impacts were an unintended consequence of allocating transmission costs to the rate class groupings used in the legacy cost of service (Exh. CLC-7-2). Therefore, the Companies proposed a further revision to separately allocate transmission costs to Rate G-7 and Rate G-7S to lower bill impacts for customers in these rate classes (Exh. CLC-7-2 & Atts. (a), (b)).

For 2019, the Companies proposed consolidated transmission rates for residential customers, but separate transmission rates for C&I customers in NSTAR Electric and WMECo by determining rate class cost responsibility using the 12 CP allocations to the separate, aligned rate classes (Exh. DPU-56-9, at 5 (Supp.)). Further, Eversource proposed to modify the structure of transmission rates for small C&I customers in its revised rate design proposal (Exh. DPU-56-9, at 5 (Supp.)). Eversource proposed to bill small C&I customers on a per-kWh charge for the first block (rather than a demand charge in the first block) (Exh. DPU-56-9, at 5 (Supp.)).⁵⁸

Moreover, the Companies propose to transfer the majority of WMECo's legacy Rate T-5 customers to aligned Rate G-4 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (West)). Eversource propose to continue to offer WMECo's legacy Rate T-5

⁵⁸ Depending on the rate class, a certain threshold of demand will be exempt from transmission billing and the customer will pay on a per-kWh basis instead (Exh. DPU-56-9, at 6 (Supp.)).

customers a transmission rate that recovers transmission costs on the basis of a customer's coincident peak demand (Exh. DPU-12-1). However, the Companies propose that any new customers taking service under proposed aligned Rate G-4 will be billed on the basis of demand as measured during on-peak hours (Exh. DPU-12-1). Therefore, the Companies will not extend the coincident peak billing method for transmission rates to new customers or existing customers other than legacy Rate T-5 customers (Exh. DPU-12-1).

The table below shows the Companies' initial and revised transmission rate design proposals for 2019 based on the revenue requirement as initially filed (Exh. DPU-56-9, at 6 (Supp.)).

Proposed Rate Class	Initial	Revised	\$Change	%Change
R-1/R-2 EMA/WMA All kWh	\$0.02556	\$0.02635	\$0.00079	3.1%
R-3/R-4 EMA/WMA All kWh	\$0.02533	\$0.02610	\$0.00077	3.0%
G-1ND EMA All kWh	\$0.02261	\$0.02230	-\$0.00031	-1.4%
G-1ND WMA All kWh	\$0.02261	\$0.02328	\$0.00067	3.0%
G-1D EMA Energy – All kWh	\$0.00000	\$0.01032	\$0.01032	N/A
Demand – Block 1	\$6.26	\$0.00	-\$6.26	-100.0%
Demand – Block 2	\$6.26	\$6.27	\$0.01	0.2%
G-1D WMA Energy – All kWh	\$0.00000	\$0.00344	\$0.00344	N/A
Demand – Block 1	\$6.26	\$0.00	-\$6.26	-100.0%
Demand – Block 2	\$6.26	\$5.94	-\$0.32	-5.2%
G-2 EMA Energy – Peak	\$0.00000	\$0.00145	\$0.00145	N/A
Energy – Off Peak	\$0.00000	\$0.00145	\$0.00145	N/A
Demand – Block 1	\$8.43	\$0.00	-\$8.43	-100.0%
Demand – Block 2	\$8.43	\$8.37	-\$0.06	-0.8%
Demand – Block 3	\$8.43	\$8.37	-\$0.06	-0.8%
G-2 WMA Demand – All kW	\$8.43	\$7.12	-\$1.32	-15.6%
G-3 EMA Demand – All kW	\$9.12	\$8.98	-\$0.14	-1.5%
G-3 WMA Demand – All kW	\$9.12	\$8.25	-\$0.87	-9.5%
G-4 EMA All kW	\$8.83	\$9.10	\$0.26	3.0%
G-4 WMA All kW	\$8.83	\$7.59	-\$1.25	-14.1%

d. Positions of the Parties

i. Acadia Center

Acadia Center recommends that the Department approve the Companies' revised transmission allocation proposal that consolidates the transmission revenue requirement but separates transmission rates for NSTAR Electric and WMECo C&I customers (Acadia Center Brief at 8-9, citing Tr. 16, at 3235). According to Acadia Center, the revised transmission rate design proposal improves the Companies' initial proposal because C&I customers should pay for the transmission costs that they incur (Acadia Center Brief at 9). Therefore, Acadia Center recommends that the Department reject the Companies' initial proposal to consolidate C&I transmission rates (Acadia Center Brief at 22; Acadia Center Reply Brief at 2, 9).

ii. Cape Light Compact

According to Cape Light Compact, the Companies' initial transmission rate design proposal shifts \$23 million in transmission costs from NSTAR Electric non-residential customers to NSTAR Electric residential and WMECo non-residential customers (Cape Light Compact Brief at 24-25, citing Exh. CLC-JFW-Supplemental-1, at 17). In particular, Cape Light Compact asserts that \$14.4 million is shifted to NSTAR Electric residential customers (Cape Light Compact Brief at 25, citing Exh. CLC-JFW-Supplemental-1, at 17). Further, Cape Light Compact argues that the Companies' revised rate design proposal shifts an additional \$5.1 million in transmission costs to NSTAR Electric residential customers (Cape Light Compact Brief at 25). Cape Light Compact concludes that these cost shifts under the revised rate design proposal are unjustified (Cape Light Compact Brief at 25). Moreover,

Cape Light Compact maintains that the Companies' proposal is arbitrary because they did not justify the transmission cost shift using a cost of service study (Cape Light Compact Brief at 25, 27). Moreover, Cape Light Compact alleges that Eversource's proposal results in the unintended consequences of significant bill impacts to legacy Commonwealth Electric Company Rate G-7 and G-7S (Cape Light Compact Brief at 25, 27 citing Exh. CLC-7-2).

Cape Light Compact further argues that in Eversource's initial proposal, it justified a consolidated transmission cost revenue requirement on the basis that after FERC approved the NSTAR Electric and WMECo merger, Eversource would operate under one transmission tariff (Cape Light Compact Brief at 26, citing Exh. ES-RDP-1, at 31). According to Cape Light Compact, however, the Companies' revised rate design proposal deviates from this justification by separating the non-residential rate classes to allocate transmission costs (Cape Light Compact Brief at 26, citing Exh. DPU-56-9, at 5 (Supp.)). Therefore, Cape Light Compact alleges that the Companies intended to reduce WMECo C&I bill impacts by re-allocating the transmission costs in the revised rate design proposal (Cape Light Compact Brief at 26). Cape Light Compact maintains that all rate classes should be consolidated for the purposes of allocating the consolidated transmission revenue requirement according to the Companies' initial rate design proposal (Cape Light Compact Brief at 12, 26, 27, 28, 80 citing Exh. CLC-JFW-Supplemental-1, at 22).

Cape Light Compact asserts that the Department should deny the Companies' revised rate design proposal because it arbitrarily shifts \$5.1 million in transmission costs onto residential customers (Cape Light Compact Brief at 27-28). However, Cape Light Compact

argues that if the Department allows the Companies' revised rate design proposal, the Department should approve the modification Eversource offered to separately allocate transmission costs to Rate G-7 and Rate G-7S to lower bill impacts (Cape Light Compact Brief at 27, 28, 80 citing Exhs. CLC-7-2; DPU-63-13).

Moreover, Cape Light Compact opposes the Companies' initial transmission rate structure proposal because it includes a demand charge for Commonwealth Electric Company customers on legacy Rate G-1 (Cape Light Compact Brief at 71-72). According to Cape Light Compact, billing small C&I customers for transmission service through a demand charge calculated using the class contribution to the Companies' coincident peak is inconsistent with the rate design goal of fairness because Commonwealth Electric experiences a non-coincident peak (Cape Light Compact Brief at 72 n.35, citing Exh. CLC-KFG-1, at 15). Therefore, Cape Light Compact argues that it is not fair to bill customers for transmission costs that are not reflective of their contribution to such costs (Cape Light Compact Brief at 72 n.35, citing Exh. CLC-KFG-1, at 15). Accordingly, Cape Light Compact recommends that the Department reject these rate design changes (Cape Light Compact Brief at 72).

iii. FEA

FEA argues that if the Department approves the NSTAR Electric and WMECo merger, then ISO-New England ("ISO-NE") will bill Eversource for transmission service based on the 12 CP of the combined Eversource utility (FEA Brief at 11). If this combined billing occurs, then FEA supports the Companies' initial proposal regarding transmission

revenue allocation (FEA Brief at 11). Further, FEA maintains that the Companies' initial and revised transmission rate design proposals are reasonable (FEA Brief at 11).

iv. TEC

(A) Allocation and Design

TEC recommends that the Department approve the Companies' revised transmission rate proposal that provides separate rates for NSTAR Electric and WMECo customers (TEC Brief at 5, 20, 24). According to TEC, NSTAR Electric and WMECo have different load characteristics and peak at different times (TEC Brief at 20). Therefore, TEC alleges that the proposed revised transmission rate design avoids cross subsidies (TEC Brief at 5, 20).

(B) Availability

TEC recommends that the Department allow Eversource to offer the coincident peak transmission billing to large customers in the NSTAR Electric service territory, such as those customers with cogeneration, energy storage, or other means of shifting load during peak periods (TEC Brief at 16, 19). TEC maintains that offering the coincident peak transmission billing option to NSTAR Electric customers is consistent with the Department's rate design goals of fairness, efficiency, and cost-causation (TEC Brief at 17-18; TEC Reply Brief at 4). In particular, TEC contends this billing option is efficient because it links the customer's contribution to the monthly transmission peak, and fair because it will reduce rate shock to certain customers (TEC Brief at 17-18). Moreover, TEC maintains that the Department stated that coincident peak billing removes cross-subsidization of transmission costs within

rate classes by assigning more cost responsibility to those customers whose peak demand that occurs on-peak versus off-peak (TEC Brief at 15, citing D.P.U. 10-70, Optional Interval Metered Transmission Pricing Report (November 22, 2011)).⁵⁹ Further, TEC contends that allowing current standby rate customers to take the coincident peak transmission billing option may help mitigate any rate shock these customers may experience when standby rates are eliminated and this option will reduce overall transmission demands for Eversource (TEC Brief at 17, citing Tr. 17, at 3425).⁶⁰ Therefore, TEC maintains that coincident peak transmission billing is a reasonable application of ratemaking principles (TEC Reply Brief at 4).

According to TEC, coincident peak billing for transmission is beneficial to all customers because it can lead to a reduction in transmission demand which reduces transmission cost allocation to the utility, and, in the long run, may defer future transmission investments in the ISO-NE region (TEC Brief at 14, 16 citing Tr. 16, at 3401-3403; TEC Reply Brief at 6). Further, TEC alleges that coincident peak billing for transmission service creates incentives for certain customers to reduce consumption during periods of high monthly demand, thereby achieving savings by avoiding demand at the time of system peak

⁵⁹ In addition, TEC claims that the Department estimated that 12 CP transmission billing for some rate classes provides a more equitable assignment of cost responsibility compared to billing for transmission costs using a customer's peak demand, which may not coincide with system peak demand (TEC Brief at 16, citing D.P.U. Western Massachusetts Electric Company, 10-70-B at 6 (2012)).

⁶⁰ According to TEC, the current standby rate is significantly discounted from the current regular distribution rate (TEC Brief at 17, citing Tr. 17, at 3425).

and thus encouraging investment in cogeneration, which provides demand-related benefits (TEC Brief at 14, 15, citing D.P.U. 10-70, Optional Interval Metered Transmission Pricing Report (November 22, 2011); TEC Reply Brief at 6, citing NECEC Brief at 12). Moreover, TEC contends that the Department recognized possible distribution system benefits from the use of coincident peak billing by reducing congestion during peak hours, lowering locational marginal prices, and creating flatter load profiles (TEC Brief at 15-16, citing Western Massachusetts Electric Company, D.P.U. 10-70-B (2012)). Therefore, TEC maintains that the Department should consider these demand-related benefits when considering expanding coincident peak transmission billing (TEC Reply Brief at 6).

Further, TEC disagrees with the Companies' characterization that coincident peak transmission billing is inequitable because it favors some customers over other customers (TEC Reply Brief at 3, citing Companies Brief at 46). According to TEC, the type of "inequity" that the Companies describe is inherent at the beginning stages in every incentive mechanism (TEC Reply Brief at 3). TEC explains that incentives are intended to treat the desired behavior more favorably than other behaviors thereby creating an "inequity" (TEC Reply Brief at 3). However, TEC maintains that this "inequity" causes customers to modify their behavior in order to achieve the desired outcome (TEC Reply Brief at 3). Moreover, TEC argues that the Department previously determined that coincident peak transmission billing is "equitable" (TEC Reply Brief at 5-6, citing D.P.U. 10-70-B at 6). In addition, TEC argues that the existing transmission rate design undervalues customer investments (TEC Reply Brief at 6). TEC concludes that incentive mechanisms, such as the

coincident peak transmission billing, are valuable tools in ratemaking and public policy (TEC Reply Brief at 4).

Moreover, TEC contends that Eversource did not propose to expand coincident peak transmission billing to Eversource contending that it is administratively burdensome (TEC Brief at 18). TEC argues that the administrative burden of offering coincident peak transmission billing is outweighed by the benefits that it provides to customers and the distribution system (TEC Brief at 18-19, 20). In addition, TEC notes that the Companies are administratively capable of processing the current coincident peak transmission billing for WMECo's legacy Rate T-5 customers as well as for thousands of net metering requests (TEC Brief at 19-20). Therefore, TEC asserts that the Companies' objections to expanding coincident peak transmission billing lack merit (TEC Brief at 20).

In response to the Companies' argument that customers are unable to respond to the coincident peak transmission billing price signal because system peak is not known until the end of the billing period, TEC maintains that the Department already considered and rejected this argument, finding that there is "sufficient publicly available information available to allow customers to make reasonable inferences as to when the system peaks might occur" (TEC Brief at 7, citing D.P.U. 10-70-B at 6). For all these reasons, TEC recommends that coincident peak transmission billing be available on an optional basis to large customers in both NSTAR Electric and WMECo service territories (TEC Brief at 20; TEC Reply Brief at 2).

v. UMass

According to UMass, the Companies allocate transmission costs to large WMECo C&I customers based on coincident peak demand and to large NSTAR Electric C&I customers based on non-coincident peak demand (UMass Brief at 5, 8). UMass asserts that such treatment results in NSTAR Electric customers receiving higher allocation of transmission costs without the ability to reduce their electric bills (UMass Brief at 5). UMass alleges that it is not just, reasonable, fair, or equitable for Eversource to provide similar customers within its service territory different rate treatment (UMass Brief at 6).

Further, UMass maintains that it is fair, reasonable, and efficient to bill large C&I customers for transmission costs in the same manner that ISO-NE allocates and bills regional transmission costs to Eversource, and to align transmission costs with transmission rates (UMass Brief at 8; UMass Reply Brief at 3). Therefore, UMass supports the allocation of transmission costs based on coincident peak because it is based on cost-causation principles, that is, customers are charged based on the costs that the Companies incur to serve them (UMass Reply Brief at 3).

UMass disagrees with what it claims is the Companies' assertion that UMass's proposal results in discriminatory treatment of similar customers (UMass Reply Brief at 4-6). UMass maintains that the Department's rate design rules do not prohibit a rate design that causes some customers to pay more and others to pay less (UMass Reply Brief at 2). According to UMass, large energy users and organizations that represent them support coincident peak transmission billing (UMass Reply Brief at 5). Moreover, UMass contends

that Eversource's claims are incorrect that customers cannot respond to coincident peak billing and that only customers with cogeneration or storage can reduce coincident peak demand (UMass Reply Brief at 5-6). For example, UMass asserts that 40 percent of WMECo's largest customers have successfully responded to the coincident peak billing price signal to reduce their bills (UMass Reply Brief at 6). Further, UMass maintains that energy efficiency measures also may reduce a customer's peak demand (UMass Reply Brief at 6).

According to UMass, all customers benefit when any Eversource customer reduces the Companies' peak demand by offsetting transmission investments or reducing the allocation of regional transmission costs (UMass Brief at 7-8; UMass Reply Brief at 3). For example, UMass claims that WMECo customers are incentivized to reduce their coincident peak to reduce their own costs, which thereby reduces the regional costs allocated to Eversource (UMass Brief at 8). UMass maintains that billing NSTAR Electric customers for transmission costs based on coincident peak will create the same incentive for additional customers to reduce their peak demands and regional costs allocated to Eversource (UMass Brief at 9).

UMass further contends that extending coincident peak transmission billing to large NSTAR Electric customers may result in more customer installations of DERs and energy storage facilities to reduce their peak demands (UMass Reply Brief at 8-9). UMass claims that this result is consistent with the Commonwealth's public policies to improve air quality, reduce greenhouse gas emissions, increase reliance on renewable resources, and expand the deployment of energy efficiency (UMass Reply Brief at 8-9, citing Executive Order 484;

Massachusetts Clean Energy and Climate Plan for 2020 (December 29, 2010); An Act Relative to Green Communities, St. 2008, c. 169; An Act Establishing the Global Warming Solutions Act, St. 2008, c. 298, codified as G.L. c. 21N, § 3; An Act Relative to Solar Energy, St. 2016, c. 75). For these reasons, UMass contends that Eversource should offer coincident peak transmission billing to large customers in the NSTAR Electric service territory (UMass Brief at 6, 9-10; UMass Reply Brief at 1, 4, 8).

vi. WMIG

According to WMIG, coincident peak billing for Rate T-5 customers is beneficial because it sends a price signal to reduce demand on the system and yields utility-wide benefits for all customers (WMIG Brief at 4, 9-10).⁶¹ WMIG maintains that if the Companies' peak goes down, then the Companies' allocation of transmission costs goes down (WMIG Brief at 10, citing Tr. 16, at 3403). Therefore, WMIG maintains that a reduction in the allocation of transmission costs to the Companies benefits all of the Companies' customers (WMIG Brief at 10, citing Tr. 16, at 3403). Thus, WMIG recommends that the Department approve the continuation of Rate T-5 coincident peak transmission billing (WMIG Brief at 4, 10). Additionally, WMIG supports the expansion of coincident peak transmission billing to large NSTAR Electric customers (WMIG Brief at 10, n.26).

Further, WMIG argues that the Department should accept the Companies' proposal to maintain separate transmission rates so that they reflect geographical and transmission

⁶¹ WMIG asserts that many large customers have shifted their demand to reduce their transmission costs (WMIG Brief at 10).

demand differences between Eversource's customers in its respective service territories (WMIG Brief at 4, 10, citing Exh. DPU-56-9 (Supp.)). According to WMIG, separate transmission rates reflect the characteristics (economic, customers, peaks) of each service territory and accurately allocate transmission costs (WMIG Brief at 10-11).

vii. Companies

Eversource argues that TEC's proposal to expand coincident peak transmission billing to large C&I customers in NSTAR Electric's service territory on an opt-in basis is inequitable, and results in price discrimination (Companies Brief at 46; Companies Reply Brief at 28). According to the Companies, designing an opt-in rate available only to customers with cogeneration or storage would spread transmission costs to all customers in the rate class based on coincident peak demand, but would apply the rate only to customers that can reduce demand at the time of system peak (Companies Brief at 46; Companies Reply Brief at 28). The Companies argue that the rate would be underpriced because not all customers would elect the rate, and would create shortfall of cost recovery (Companies Reply Brief at 28). Therefore, the Companies maintain that such rate design is discriminatory because it allows a subset of customers to take service on a lower cost rate than the rate available to other customers in the same rate class (Companies Brief at 46; Companies Reply Brief at 28).

Further, Eversource contends that UMass's proposal to expand the coincident peak transmission billing to all customers in proposed Rate G-4 is inappropriate (Companies Brief at 46). The Companies maintain that coincident peak transmission billing does not allow for

customers to respond to a price signal because system peak is not known until the end of a billing period (Companies Brief at 46-47). Further, the Companies allege that ISO-NE provides information pertaining to the ISO-NE system peak, not the Northeast Utilities system peak,⁶² and therefore, information is not readily available to customers to make decisions (Companies Reply Brief at 27-28, citing D.P.U. 10-70-B).

Additionally, the Companies assert that coincident peak transmission billing in WMECo resulted in cost increases to smaller customers that are unable to respond to the price signal and shift usage outside the coincident peak period to reduce charges (Companies Brief at 47, citing Exh. DPU-12-1; Companies Reply Brief at 36, citing Tr. 16, at 3397). Further, Eversource alleges that coincident peak transmission billing results in intra-class inequities (Companies Reply Brief at 36). The Companies argue that in the four years that coincident peak transmission billing has been available to Rate T-5 customers, the number of customers benefitting from it has not improved (Companies Reply Brief at 28, 36, citing Exh. DPU-12-1, Att.). Eversource claims that because 60 percent of Rate T-5 customers do not benefit from the rate design, it is not supported by all Rate T-5 customers (Companies Reply Brief at 35, citing Exh. DPU-12-1). Further, the Companies maintain that implementing coincident peak transmission billing for NSTAR Electric could result in the cost shifting to other electric utilities within the ISO-NE region due to the large customer base (Companies Reply Brief at 28, citing D.P.U. 10-170-B). Therefore, the Companies

⁶² ISO-NE considers Northeast Utilities to comprise WMECo and its affiliates The Connecticut Light and Power Company and Public Service Company of New Hampshire.

argue that, for continuity reasons, they have proposed to continue billing coincident peak transmission for large C&I customers in WMECo, but do not propose any further expansion of this billing option (Companies Brief at 47).

Finally, the Companies assert that their proposed transmission rate design is consistent with the Department's rate design principles (Companies Reply Brief at 36). Eversource explains that it allocates transmission costs on the basis of coincident peak demand but collects these costs from individual customers on the basis of individual customer demand (Companies Reply Brief at 36, citing Exh. ES-RDP-1, at 32). The Companies maintain that this method is consistent with the method that other distribution companies in the Commonwealth use for transmission cost allocation and rate design (Companies Reply Brief at 36). According to the Companies, billing customers for transmission costs on the basis of individual demand does not prevent these customers from investing in cogeneration (Companies Reply Brief at 36-37). Moreover, Eversource explains that legacy Rate T-5 customers are allocated transmission costs on the basis of their contribution to the transmission system peak and billed transmission costs based on their demand at the time of the Northeast Utilities system peak (Companies Reply Brief at 36). Therefore, the Companies maintain that they incentivize legacy Rate T-5 customers to reduce their demand (Companies Reply Brief at 36).

e. Analysis and Findings

In WMECo's last rate case, the Department approved the use of the 12 CP allocation method for the allocation of transmission costs and determined it to be reasonable.

D.P.U. 10-70, at 337. The Department directed WMECo to update the 12 CP allocators on an annual basis in its transmission reconciliation filing. D.P.U. 10-70, at 338. The Department finds it reasonable to extend the use of the 12 CP allocation method for the allocation of transmission costs to NSTAR Electric customers because this allocation method sends a more accurate price signal to customers regarding the true cost of transmission service and is consistent with how FERC designs transmission rates, under which NSTAR Electric receives transmission service. D.P.U. 10-70, at 337.

In the D.P.U. 17-05 Order, the Department allowed the corporate consolidation and merger NSTAR Electric and WMECo into NSTAR Electric Company. D.P.U. 17-05, at 43-44.⁶³ Therefore, Eversource will operate under one transmission tariff. Accordingly, the Department approves Eversource's proposal to consolidate the transmission revenue requirement prior to allocating these costs to rate classes.

In Sections IV.D.5.c.i and ii above, the Department approved the Companies' residential rate consolidation proposal, but the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Thus, the Department directs Eversource to allocate transmission costs to the approved residential and C&I rate classes accordingly. Moreover, Cape Light Compact's opposition to the Companies' proposed demand charge for Commonwealth Electric Company customers on legacy Rate G-1 is

⁶³ FERC has approved the internal corporate reorganization of NSTAR Electric and WMECo, and it has approved NSTAR Electric's acquisition of WMECo's jurisdictional facilities (Exhs. ES-DPH-1, at 4; DPU-20-1, at 2-3;). D.P.U. 17-05, at 31.

rendered moot because the Companies will retain the existing transmission rate structure at this time (see Section IV.D.5.c.ii above).⁶⁴ Further, the Department approves Eversource's proposed modification to separately allocate transmission costs to Rate G-7 and Rate G-7S (Exhs. CLC-7-2; DPU-63-13).

Regarding the expansion of coincident peak transmission billing currently offered to legacy Rate T-5 customers to NSTAR Electric customers, the Department recognizes that pricing transmission service based on a customer's consumption at the time of system peak rather than based on the customer's peak, which may not coincide with the system peak, provides a more equitable assignment of cost responsibility. D.P.U. 10-70-B at 6. TEC recommends extending this transmission rate offering on an opt-in basis to large NSTAR Electric C&I customers (TEC Brief at 20; TEC Reply Brief at 2). The coincident peak transmission rate cannot be implemented on an opt-in basis because only those customers who would experience lower transmission costs would elect the alternate rate. The remaining customers would continue on the existing transmission rate. Consequently, Eversource would presumably collect the under-recovery of transmission costs caused by these customers from other customers.

Given that the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time, it is likely that, fairness to all NSTAR Electric customers would lead to three separate offerings of coincident peak transmission billing for

⁶⁴ Eversource bills Commonwealth Electric Company G-1 customers for transmission service using a per-kWh rate (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3 (East) at 32-33).

customers in the three legacy service areas. This would result in additional administrative burden and customer confusion. Moreover, there is not sufficient evidence to evaluate bill impacts to NSTAR Electric customers that would be subject to a mandatory coincident peak transmission rate. As a result, the Department declines to adopt the recommendation to expand coincident peak transmission billing to large NSTAR Electric customers at this time. The Department encourages the Companies to evaluate further the expansion of coincident peak transmission billing to NSTAR Electric customers.

Finally, the Department has reviewed the Companies' proposed changes to its TSCA tariff (see Exh. ES-RDP-14 (Part 4) at 259). The Companies' TSCA tariff has not changed since 1998 (see Exh. ES-RDP-14 (Part 4) at 259). The Companies' proposed changes to the language in the TSCA, updating the tariff to use the appropriate terms (e.g., update references from "Department of Telecommunications and Energy" to "Department of Public Utilities"). Therefore, we find that the Companies' proposed changes to the TSCA tariff are reasonable and, therefore, we approve the proposed changes. Accordingly, the Department directs Eversource to file a revised TSCA tariff with its compliance filing consistent with the directives in this Order.

2. Net Metering Recovery Surcharge

a. Introduction

Eversource proposed to adopt a single Net Metering Tariff effective January 1, 2018 (proposed M.D.P.U. No. 527) (RR-DPU-51, Att. (a) at 292-317). Effective January 1, 2018, Eversource proposed to calculate the NMRS separately for NSTAR Electric

customers and WMECo customers (RR-DPU-51, Att. (a) at 308-309). Effective January 1, 2019, Eversource proposed to combine the NMRS revenue requirement for both service areas and to calculate one NMRS (RR-DPU-51, Att. (a) at 309).

The Companies' proposed NMRS recovers, among other things, the cost of net metering credits provided to customers who qualify to participate under the Net Metering Tariff and the DDR associated with these customers' self-generation installed in accordance with G.L. c. 164, §§ 138 and 139 (RR-DPU-51, Att. (a) at 306-308). As noted, in their initial rate design proposal, the Companies proposed to maintain a separate NMRS between NSTAR Electric and WMECo (Exh. ES-RDP-1, at 28). The Companies proposed to consolidate the NMRS revenue requirement in their revised rate design proposal, and to allocate it to all rate classes using the base distribution revenue allocator beginning January 1, 2019 (RR-DPU-51, at 309).

Currently, NSTAR Electric and WMECo use different accounting methods to determine the NMRS revenue requirement (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). Because NSTAR Electric's revenues were not decoupled prior to the Department's approval in this case, NSTAR Electric currently estimates its DDR and recovers it through the NMRS (Exh. DPU-18-16, at 2).⁶⁵ Further, the Companies stated that NSTAR Electric's accounting method recognizes net metering credits over a billing period based on netted kWhs (Exhs. DPU-18-16, at 2; DPU-30-3, Att.).

⁶⁵ Currently, the Net Metering Tariffs allow the Companies' the option to recover DDR through either a RDM or the NMRS (M.D.P.U. No. 163D, § 1.08; M.D.P.U. No. 1048G, § 1.08).

Eversource explained that WMECo's metering and accounting methods allow it to recover WMECo's DDR through both its revenue decoupling mechanism ("RDM") and its NMRS (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). Further, the Companies installed two channel revenue meters for WMECo's net metering customers, which allows for the registration of both exported and delivered kWh over a billing period (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). Therefore, before netting the two kWh values associated with net metering, WMECo calculates net metering credits separately on the export and import channels by: (1) multiplying the net metering credit rate by the total kWh measured on the export channel; and (2) multiplying total delivery charges by the total kWh measured on the import channel (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). In other words, where NSTAR Electric nets the billing period kWh and then multiplies the net kWh amount by the net metering credit rate to determine total net metering credits, WMECo nets the gross billing period credits and charges (Exhs. DPU-18-16, at 2; DPU-30-3, Att.).

The Companies state that under either method, the customer receives the same net metering credit on his or her bill, but the accounting and recovery mechanisms are not the same between WMECo and NSTAR Electric (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). However, WMECo recognizes revenue associated with the total delivery charges that it calculates on the import channel, which includes revenue that actually has been displaced (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). With this accounting, WMECo recovers a portion of DDR through the NMRS because the gross value of net metering credits (i.e., the net metering credit rate multiplied by the total kWh measured on the export channel, which is

not equal to the value of net metering credits paid to customers as it appears on their bills) are included in the NMRS calculation of revenue requirement for recovery through the NMRS factors (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). Eversource states that it recovers in its RDM any DDR not accounted for through WMECo's NMRS (Exhs. DPU-18-16, at 2; DPU-30-3, Att.). No parties addressed these issues on brief.

b. Analysis and Findings

The Department approved the Companies' RDM proposal in Section IV.H.3 below. Therefore, both Companies will operate under an RDM going forward. The Companies stated that they will:

conform the separate accounting methods utilized currently by WMECo and NSTAR [Electric] for net metering to a single, uniform methodology. The Compan[ies] would modify the reporting currently applied by WMECo in its billing and accounting processes in order to be consistent with the current NSTAR [Electric] methodology for recovering net metering credits through the NMRS. DDR would no longer be calculated for recovery through the NMRS, but would be recovered through the Compan[ies]' proposed revenue decoupling mechanism

(Exh. DPU-63-11).

The Companies stated that this modification requires minimal information technology costs to facilitate conformation of both reporting and accounting procedures (Exhs. DPU-56-2; DPU-63-12). Further, Eversource explained that test year billing determinants for WMECo would need to be lowered by 13,780,890 kWh to implement this change (Exh. DPU-65-1).⁶⁶

⁶⁶ In implementing this change, the Department reduced WMECo's test year distribution revenue by \$464,646 and increased the normalizing adjustment for revenue decoupling by \$464,646. D.P.U. 17-05, at 72.

Therefore, the Department directs the Companies to implement their agreed-to modifications to the NMRS as described above.

Moreover, the Companies stated that they preferred the existing language in the Net Metering Tariff at Section 1.08 because current metering and accounting policies impact Eversource's recovery of DDR (Exh. DPU-18-16, at 1). Section 1.08 of the Net Metering Tariffs states, in part:

If the Distribution Company operates under a revenue decoupling mechanism, the Distribution Company may elect to recover some or all of the charges listed below through a revenue decoupling mechanism or applicable reconciling mechanisms, as appropriate, rather than through an NMRS. If the Distribution Company elects not to file an NMRS, the Distribution Company must file a net metering report in lieu of the NMRS. The net metering report shall be in a form approved by the Department. The net metering report is for informational purposes only.

M.D.P.U. No. 163D, § 1.08; M.D.P.U. No. 1048G, § 1.08.

During the course of the proceedings, the Department put forth modified language:

If the Distribution Company operates under a revenue decoupling mechanism, the Distribution Company will recover the non-reconciling distribution portion of revenue displaced ("DDR") through a revenue decoupling mechanism and all other charges listed below through the operation of the NMRS. If the Distribution Company does not operate under a revenue decoupling mechanism, then the Distribution Company will recover the DDR and all other charges listed below through the operation of the NMRS.

(Exh. DPU-18-16).

The Companies contend that under the Department's language, distribution companies with RDMs would be required to recover the non-reconciling portion of DDR only through the revenue decoupling adjustment (Exh. DPU-18-16).

As discussed above, the Companies agreed to modify their current metering and accounting policies to make them consistent across NSTAR Electric and WMECo (Exh. DPU-63-11). After the Companies implement this change, and because the Department allowed NSTAR Electric to implement a decoupling mechanism, NSTAR Electric will no longer calculate DDR for recovery through the NMRS, but, instead, Eversource will recover all DDR through its RDM (Exh. DPU-63-11). Accordingly, the Department directs the Companies to include the Department's modified language in their Net Metering Tariff at Section 1.08 which requires recovery of the "non-reconciling distribution portion of revenue displaced ("DDR") through a revenue decoupling mechanism and all other charges listed below through the operation of the NMRS" (Exh. DPU-18-16). Further, the Department expects that each electric distribution company will make the same modification to its Net Metering Tariff in the earlier of its next base distribution rate case filing or any other filing in which the Net Metering Provision is under review.

The Department has reviewed the Companies' proposal and is satisfied with the Companies' plan to implement one net metering tariff (proposed M.D.P.U. No. 527), subject to the modifications discussed above and in Section IV.E.4.g. Further, the Department allows the combination of the NMRS revenue requirement between NSTAR Electric and WMECo.

3. Revenue Decoupling

a. Introduction

In D.P.U. 07-50-A at 4-5, 32, 81-82, the Department directed each electric and gas distribution company to propose a full RDM in its future base distribution rate proceedings. The Department stated that the objective of revenue decoupling is the “elimination of financial barriers to the full engagement and participation by the Commonwealth’s investor-owned distribution companies in demand-reducing efforts.” D.P.U. 07-50-A at 4. The Department concluded that “a full decoupling mechanism best meets our objective of (1) aligning the financial interest of the companies with policy objectives regarding the efficient deployment of demand resources, and (2) ensuring that the companies are not harmed by decreases in sales associated with any increased use of demand resources.” D.P.U. 07-50-A at 31-32.

The Department approved an RDM for WMECo in its last base rate distribution proceeding. D.P.U. 10-70, at 55-59. WMECo’s current revenue decoupling tariff ensures that it will collect a set amount of revenues annually (i.e., \$132,415,739) through its distribution charge (M.D.P.U. No. 1050E, § 3).⁶⁷ The tariff caps the amount WMECo is allowed to collect from customers through the revenue decoupling adjustment factor (“RDAF”) at one percent of total revenues (M.D.P.U. No. 1050E, § 6). All revenue exceeding this cap is then deferred for recovery to the following year to the extent there is room under the cap and subject to interest at the prime rate (M.D.P.U. No. 1050E, § 6).

⁶⁷ The RDM revenue requirement is distributed to the customer classes using the base distribution revenue allocator (M.D.P.U. No. 1050E, §, 4).

See, e.g., Western Massachusetts Electric Company, D.P.U. 16-175 (2017), Sch. A at 3;

M.D.P.U. No. 1050E, § 6. NSTAR Electric currently does not have an RDM.

b. Companies Proposal

Eversource proposes a new RDM tariff, which would become effective February 1, 2018, to apply to both NSTAR Electric and WMECo (RR-DPU-51, Att. (a) at 324-328 (proposed M.D.P.U. No. 531)). Eversource proposes an RDM that is similar to WMECo's current RDM (RR-DPU-51, Att. (a) at 324-328). Eversource proposes to separately calculate the change in distribution revenue requirement for NSTAR Electric and WMECo customers, and allocate that change to each rate class on the basis of class contribution to distribution revenue, and further to the non-customer charge components within each rate class (Exh. ES-RDP-9, at 10; RR-DPU-51, Att. (a) at 325-327). The base distribution rates, set on a demand (per kW) and energy (per kWh) basis, as applicable for each rate class, would be adjusted proportionally to reach the target revenue for that class (Exh. ES-RPD-9, at 10; RR-DPU-51, Att. (a) at 325-327). Eversource proposes that no adjustment would be made to the customer charge (Exh. ESRDP-9, at 10).

Eversource notes two differences between WMECo's current RDM and the RDM proposed in this proceeding. First, Eversource would adjust target revenues on an annual basis as a result of the performance based revenue ("PBR") adjustment mechanism (Exh. ES-RDP-9, at 7, 11; RR-DPU-51, Att. (a) at 325-326). D.P.U. 17-05, at 334-414. Second, the Companies would adjust each year's target revenue to account for the sale of street lighting equipment (RR-DOER-3, Att.; RR-DPU-51, Att. (a) at 325). Eversource also

proposes to revise its annual reporting requirements to be consistent with the RDAF reporting requirements that the Department approved in Investigation into Revenue Decoupling Adjustment Factor Filing Procedures, D.P.U. 14-RDAF-01, at 4-14 (2014), and to change the effective date for the RDAF in WMECO's current RDM tariff of February 1st to January 1st (Exhs. DPU-15-3; DPU-66-1; RR-DPU-51, Att. (a) at 326-328).

c. Positions of the Parties

Eversource argues that its proposal is essentially a continuation of the existing RDM applicable to WMECo and an extension of that RDM to include NSTAR Electric (Companies Brief at 33-34).

Eversource contends that the Department should approve the RDM as proposed because it is appropriately structured to promote the efficient deployment of energy efficiency and demand resources as contemplated by D.P.U. 07-50-A, and is consistent with Department precedent (Companies Brief at 35). In particular, Eversource asserts that its proposal to adjust the decoupling revenues to account for the sale of street lighting equipment is consistent with the method that the Department approved for Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 14-136-A (2016) (Companies Brief at 35). No other party addressed Eversource's revenue decoupling proposal.

d. Analysis and Findings

The Department has reviewed Eversource's proposed RDM and finds that it is structured to operate in a similar manner to WMECo's current RDM, which was approved in

D.P.U. 10-70, at 55-59 (RR-DPU-51, Att. (a) at 324-328; M.D.P.U. No. 1050E).

Regarding the two differences between WMECo's current RDM and the RDM proposed in this proceeding, we first consider Eversource's proposal to increase its target revenues on an annual basis for the revenue adjustment allowed pursuant to the Companies' PBR mechanism. In the D.P.U. 17-05 Order, the Department approved Eversource's proposal to annually adjust its distribution revenues using the PBR mechanism. D.P.U. 17-05, at 412-413. The proposed RDM allows the Companies to recover their allowed distribution revenues, dollar for dollar (RR-DPU-51, Att. (a) at 326-327). Since the allowed distribution revenues will be adjusted each year by the PBR mechanism, the Department also finds it appropriate to adjust the target distribution revenues annually for the adjustment from the PBR mechanism.

Next, the Department considers Eversource's proposal to adjust the decoupling revenues to account for the sale of street lighting equipment. In the instant filing, Eversource proposes to collect through base rates \$4,136,071 and \$5,484,808 from S-1 customers and \$2,501,826 and \$127,333 from S-2 customers for NSTAR Electric and WMECo, respectively (RR-DPU-51, Att. (a) at 326). As discussed in Section IV.K.4.a below, customers in the S-1 rate class (company-owned street lighting equipment) pay a different distribution rate from customers in the S-2 rate class (municipally-owned street lighting equipment) because customers in the S-1 rate class are paying for the capital costs associated with the street lighting equipment used to serve them, whereas customers in the S-2 rate class own the street lighting equipment (Exh. ES-RDP-7 (ALT1), Sch. 1; RR-DPU-50).

As the Department noted in D.P.U. 15-155, at 30, revenue decoupling was not intended to compensate a company for the sale of street lighting assets. See also, D.P.U. 14-136-A, at 10; D.P.U. 07-50-A.⁶⁸ The Department did not contemplate this potential issue, and the model we adopted to decouple rates for all future ratemaking proceedings was silent on street lighting rate classes in RDM. D.P.U. 07-50-B at 26. In D.P.U. 15-155, at 30-31 the Department placed all electric distribution companies on notice regarding concerns with the inclusion of street lighting rate classes in RDMs,⁶⁹ and that we would consider removing street lighting rate classes from RDMs in each electric distribution company's next base distribution rate proceeding. Further, we directed each electric distribution company, as part of the initial filing in its next base distribution rate proceeding, to address and provide justification for the continued inclusion of street lighting rate classes in each company's respective RDM. D.P.U. 15-155, at 31.

In response to the Department's directive, Eversource proposes an adjustment to the actual revenues for its street lighting rate classes that is used to calculate its RDM adjustment

⁶⁸ The Department determined that an adjustment to National Grid's RDM was necessary to account for the sale of street lighting assets. D.P.U. 14-136-A at 10-11. National Grid agreed to adjust the annual target revenue in its RDM by a fixed percentage of proceeds from street lighting sales according to vintage year that value the revenue requirement of the proceeds from sales in a manner consistent with the Company's current street lighting base rates. D.P.U. 14-136-A at 5, 11-12.

⁶⁹ Specifically, the Department was concerned that the revenues collected through the RDM were unintentionally compensating companies for the lost revenues associated with the sale of street lighting assets, where the companies already were compensated for these street lighting assets through the proceeds of the sale of the equipment. D.P.U. 15-155, at 30-31.

to account for the sale of street lighting assets (Tr. 11, at 2232; RR-DPU-51, Att. (a) at 325). The Companies propose this adjustment to equal the proceeds that it receives from the sale of its street lighting equipment multiplied by the avoided cost of no longer owning, operating, and maintaining such equipment, stated as a percentage (RR-DPU-51, Att. (a) at 325). We find that this proposed adjustment is consistent with the method that the Department approved for National Grid in D.P.U. 14-136-A, at 10-12, and is appropriate for Eversource. Therefore, the Department approves the Companies' proposed adjustment to its RDM to account for the sale of its street lighting assets.

Based on the above findings, the Department approves Eversource's proposed RDM for effect February 1, 2018. The Department directs Eversource in its compliance filing to update its initial base revenue target and its base distribution revenue allocator to be consistent with the directives set forth in this Order.

4. Energy Efficiency Charges Tariff

a. Introduction

Electric energy efficiency Program Administrators, including Eversource, fund energy efficiency plan implementation from the following sources: (1) a mandatory \$0.0025 per kilowatt-hour ("kWh") system benefits charge ("SBC");^{70,71} (2) revenues from the forward

⁷⁰ The SBC charge is fixed at 0.250 cents per kWh and is collected from all electric distribution customers pursuant to G.L. c. 25, § 19(a). Guidelines, § 2.16.

⁷¹ There are a variety of synonyms for the charges identified in the various energy efficiency tariffs. For example, NSTAR Electric's current energy efficiency charges tariffs refer to the SBC as the "energy efficiency charge" or "EEC" (M.D.P.U. Nos. 107F, 207F, 307H). WMECo's current energy efficiency charges

capacity market (“FCM”) administered by ISO-NE; (3) revenues from cap and trade pollution control programs (e.g., Regional Greenhouse Gas Initiative (“RGGI”)); (4) other funding sources; and (5) an energy efficiency surcharge, most commonly known as an energy efficiency reconciliation factor (“EERF”).⁷² Guidelines, § 3.2.1;⁷³ see also G.L. c. 25, § 19(a). If sufficient funding is not available from the first four funding sources, the Department may approve the collection of additional funding from electric ratepayers through the EERF, where certain conditions are met (i.e., after consideration of rate and bill impacts on consumers and whether past programs have lowered the cost of electricity). G.L. c. 25, § 19(a); Guidelines, § 3.2.1.6.2.

The EERF is a component of the Companies’ energy efficiency charges tariffs (M.D.P.U. Nos. 107F, 207F, 307H; M.D.P.U. No. 1043H). On an annual basis, the Companies submit updated EERFs for Department review, based on: (1) the most recent

tariff refers to the SBC as the “demand-side management adjustment rate” or “DSM adjustment” (M.D.P.U. No. 1043H). Eversource’s proposed energy efficiency charges tariff refers to the SBC as the “energy conservation charge” or “ECC” (RR-DPU-51, Att. (a) at 103-106 (proposed M.D.P.U. No. 520)). In order to avoid confusion and ensure consistency with the terminology used in the Department’s energy efficiency guidelines, in its final energy efficiency charges tariff Eversource shall cross-reference the term “systems benefit charge,” as defined in Guidelines, § 2.16, in its definition of “energy conservation charge.”

⁷² NSTAR Electric currently refers to its energy efficiency surcharge as an EERF (M.D.P.U. Nos. 107F, 207F, 307H). WMECo refers to this same charge as an “energy efficiency program cost adjustment” or “EEPCA” (M.D.P.U. No. 1043H). In this section, the Department refers to the energy efficiency surcharge as the EERF.

⁷³ The Department’s current energy efficiency guidelines (“Guidelines”) were established in Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 11-120-A, Phase II (2013).

projections of energy efficiency budgets, revenues from non-EERF funding sources (i.e., SBC revenues, FCM revenues, RGGI funds, other funding), and sales for the current year; and (2) a reconciliation of any under- or over-recovery of actual costs from the previous year.⁷⁴ Any positive or negative balance (excluding any income tax adjustment) accrues interest calculated at the customer deposit rate (M.D.P.U. Nos. 107F, 207F, 307H; M.D.P.U. No. 1043H).

The Companies calculate the EERF separately for each customer class (i.e., residential, low income residential, C&I). The EERF revenues required to fund the low income energy efficiency programs are allocated to each customer class using the applicable base distribution revenue allocators approved in the most recent base rate case (M.D.P.U. Nos. 107F, 207F, 307H; M.D.P.U. No. 1043H).

NSTAR Electric's current energy efficiency charges tariffs differ from WMECo's tariff in three ways. First, NSTAR Electric's tariffs include a lost base revenues ("LBR") component in the EERF formula to collect Department-approved incremental kWh savings resulting from energy efficiency programs (M.D.P.U. Nos. 107F, 207F, 307H).⁷⁵ Second, NSTAR Electric's tariffs provide that separate EERFs shall be calculated and charged to

⁷⁴ Final reconciliation of the Companies' EERFs takes place after the close of the then-current three-year energy efficiency plan term. Investigation by the Department of Public Utilities on its own Motion into Updating its Energy Efficiency Guidelines, D.P.U. 11-120-A, Phase II, at 20 (2013).

⁷⁵ WMECo implemented revenue decoupling in its last rate case, D.P.U. 10-70, and, therefore, does not recover LBR.

distribution customers in municipalities served by a municipal aggregator that is also an energy efficiency program administrator (i.e., Cape Light Compact) (M.D.P.U. Nos. 107F, 207F, 307H).⁷⁶ Finally, unlike WMECo, NSTAR Electric's tariffs set the EERF to zero in the event that the calculation results in a credit to customers (i.e., NSTAR Electric's EERFs can only be a charge to customers and not a credit) (M.D.P.U. Nos. 107F, 207F, 307H).

b. Companies Proposal

The Companies propose to adopt a single energy efficiency charges tariff, M.D.P.U. No. 520, applicable for both NSTAR Electric and WMECo, for effect February 1, 2018 (RR-DPU-51, Att. (a) at 103-106; see Motion to Delay Implementation of Rates at 1-2). The proposed tariff adopts NSTAR Electric's current method of calculating the EERF, which includes a component in the EERF formula for recovery of Department-approved LBR (RR-DPU-51, Att. (a) at 103-106).⁷⁷ The proposed tariff also adopts the language in NSTAR Electric's current energy efficiency charges tariffs regarding the calculation of a separate EERF for customers served by a municipal aggregator with an approved energy efficiency plan (Exh. RR- DPU-51, Att. (a) at 103). Finally, the proposed energy efficiency charges tariff retains the language in NSTAR Electric's current tariffs that sets the EERF to zero in

⁷⁶ Early references to "municipal aggregator" in NSTAR Electric's tariff omit reference to an approved energy efficiency plan although this language is included on a later page (see, e.g., RR-DPU-51, Att. (a) at 103, 104, 106).

⁷⁷ The Companies maintain that NSTAR Electric is eligible to recover LBR related to the annual incremental kWh savings resulting from energy efficiency programs through the end of plan-year 2017 (i.e., prior to the implementation of revenue decoupling) (Exh. ES-DPH-1, at 185-186). LBR for plan-year 2017 would be collected through the EERF starting July 1, 2018 (Exh. ES-DPH-1, at 185-186).

the event that the calculation would result in a credit to customers (RR-DPU-51, Att. (a) at 105).

c. Positions of the Parties

i. Attorney General

The Attorney General argues that the Department should deny the Companies' proposal to include LBR as a component of the EERF (Attorney General Brief at 26). According to the Attorney General, recovery of LBR together with revenue decoupling would constitute "double-recovery" of lost distribution revenues (Attorney General Brief at 26-27). More specifically, the Attorney General maintains that revenue decoupling will ensure that the Companies collect their target revenues (Attorney General Brief at 27). Therefore, the Attorney General argues that, regardless of the Companies' sales and the effect of their energy efficiency programs on distribution revenues, Eversource will be made whole for any lost distribution revenues through revenue decoupling (Attorney General Brief at 27). The Attorney General maintains that WMECo implemented revenue decoupling in its last rate case and, therefore, has not needed a separate revenue decoupling mechanism to recover LBR (Attorney General Brief at 27-28). According to the Attorney General, the Companies propose to "have the best of both worlds" and charge ratepayers revenue decoupling adjustment and LBR for both NSTAR Electric and WMECo (Attorney General Brief at 28).

In addition, the Attorney General maintains that neither NSTAR Electric nor WMECo should be recovering LBR at this time because it is inconsistent with previous Department directives (Attorney General Reply Brief at 6). Specifically, the Attorney General asserts

that in D.P.U. 10-170-B at 49, the Department found that “neither NSTAR Gas nor NSTAR Electric will be allowed to recover any LBR after the end of the Base Rate Freeze period on December 31, 2015” (Attorney General Reply Brief at 6). The Attorney General asserts that, by the time that new rates will go into effect, NSTAR Electric should have fully recovered any LBR associated with incremental kWh savings achieved on or before December 31, 2015 (Attorney General Reply Brief at 6-7). The Attorney General argues that the Department should ensure that Eversource has complied with the Department’s directives in D.P.U. 10-70-B at 49 prohibiting LBR recovery and, if not, should require NSTAR Electric to return to ratepayers any LBR collected for incremental kWh savings achieved after December 31, 2015 (Attorney General Reply Brief at 7).

ii. Companies

The Companies maintain that the Attorney General’s assertion that Eversource proposes to recover NSTAR Electric’s energy efficiency-related revenue losses both through LBR and through revenue decoupling is false (Companies Brief at 43). According to the Companies, NSTAR Electric’s LBR will no longer be recorded after revenue decoupling is implemented on January 1, 2018 (Companies Brief at 43, citing Exh. ES-DPH-1, at 185).⁷⁸

In addition, Eversource refutes the Attorney General’s claim that NSTAR Electric was required to stop collecting LBR after December 31, 2015 (Companies Reply Brief at 13-18). The Companies argue that the directive cited by the Attorney General was part of a merger

⁷⁸ The Companies assert that NSTAR Electric’s 2017 LBR will be recovered through the EERF beginning on July 1, 2018 (Companies Brief at 43).

proceeding and that there was insufficient process and record in the merger case to render a decision regarding the recovery of LBR after December 31, 2015 (Companies Reply Brief at 15). Specifically, the Companies maintain that there was no notice to the parties that recovery of LBR after December 31, 2015, was at issue in the review of the settlements in D.P.U. 10-170-B (Companies Reply Brief at 15). Further, the Companies assert that the language relied upon by the Attorney General in support of her position references Article II (7) of the settlement agreement between the Attorney General and DOER (Companies Reply Brief at 16). The Companies contend that Article II (7) addresses the “special methodology” NSTAR Electric would use to calculate LBR during the base rate freeze period (Companies Reply Brief at 16). Accordingly, Eversource maintains that the Department’s directive in D.P.U. 10-170-B at 49 could have no other meaning than to confirm that neither NSTAR Electric nor WMECo would be eligible to calculate LBR using the method established in Article II (7) after December 31, 2015 (Companies Reply Brief at 16). However, the Companies assert that the settlement is silent as to recovery after December 31, 2015 (Companies Reply Brief at 16).

Finally, Eversource argues that NSTAR Electric’s Department-approved three-year energy efficiency plan for 2016 through 2018 expressly provides for the recovery of LBR (Companies Reply Brief at 17, citing 2016-2018 Three-Year Plans, D.P.U. 15-160 through D.P.U. 15-169 (2016); Exh. Eversource Energy-2, at 45-46, 52-58). The Companies contend that the Attorney General had multiple opportunities to challenge NSTAR Electric’s LBR recovery in the three-year plan proceeding but did not (Companies Reply Brief at 18).

d. Analysis and Findings

It is undisputed that companies are not eligible to record and recover LBR for any energy efficiency related kWh savings realized after the implementation of revenue decoupling. D.P.U. 07-50-A at 82, 83 n.24; D.P.U. 07-50-B at 33-35. In light of NSTAR Electric's proposal to implement revenue decoupling in this proceeding, the Attorney General raises two arguments related to LBR. First, the Attorney General asserts that the Department should deny Eversource's proposal to include LBR as a component of the EERF formula in the energy efficiency charges tariff post-revenue decoupling to prevent a double-recovery of energy efficiency-related lost revenues (Attorney General Brief at 26-27). Second, the Attorney General argues that, pursuant to a Department directive in D.P.U. 10-170-B at 49, neither NSTAR Electric nor WMECo are eligible to recover any LBR realized after December 31, 2015 (Attorney General Reply Brief at 7). The Companies dispute each of the Attorney General's arguments and maintain that their proposed energy efficiency charges tariff appropriately accounts for recovery of eligible LBR through the EERF (Companies Brief at 43; Companies Reply Brief at 13-18). No other party addressed this issue on brief.

Pursuant to Guidelines, § 3.3.1, Eversource included projected LBR for NSTAR Electric as part of its proposed energy efficiency budget for each year of its most recent three-year energy efficiency plan (i.e., 2016 through 2018). D.P.U. 15-160 through D.P.U. 15-169 (Exh. Eversource Energy-2, at 45-46, 52-58). Although LBR recovery was not expressly addressed in the Order approving the three-year energy efficiency plan, the

Department approved NSTAR Electric's three-year estimated EERF, which contained projected LBR. D.P.U. 15-160 through D.P.U. 15-169 at 168. In addition, Eversource included LBR related to unverified 2016 kWh savings for NSTAR Electric as part of its 2017 EERF filing. NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-102 (2017) (Exh. NSTAR-ANB-1).⁷⁹

On June 28, 2017, the Department approved the Companies' 2017 EERF filing subject to reconciliation after further investigation. D.P.U. 17-102, at 3. Pursuant to Guidelines, § 4.1.2, subject to the results of the investigation of the Companies' forthcoming energy efficiency three-year term performance report for 2016 through 2018, the Department will approve recovery of (1) actual costs incurred during the term, (2) actual performance incentive payments earned during the term, and (3) actual LBR during the term, where applicable. D.P.U. 11-120 Phase II at 6-7.⁸⁰ Accordingly, the Department finds that the

⁷⁹ The Department notes that the Attorney General raised no concern with the inclusion of projected LBR for NSTAR Electric as part of the 2016-2018 Joint Statewide Energy Efficiency Plan. Rather, as a member of the Energy Efficiency Advisory Council ("Council") and as an intervenor in the Department's investigation of the three-year plans, the Attorney General offered support for the statewide plan as filed. D.P.U. 15-160 (Attorney General Initial Brief at 17). In fact, the Attorney General notes in her brief that further refinements to the statewide plan were made by the Program Administrator at the request of the Council and a revised version of the statewide plan was filed with the Council on October 23, 2015, which was subsequently approved by Council resolution dated October 26, 2015. D.P.U. 15-160 (Attorney General Initial Brief at 5).

⁸⁰ The Companies' term report for 2016 through 2018 will be filed no later than August 1st in 2019. See Order Approving Energy Efficiency Three-Year Term Report Template, D.P.U. 11-120-B at 9.

correct place for the Attorney General to raise issues related to the Companies' LBR is the three-year term performance report proceeding.

Because projected LBR are included as part of NSTAR Electric's plan-year budgets for 2016 through 2018 and as part of the 2017 EERFs approved subject to reconciliation, the Department finds that it is appropriate to retain an LBR component as part of the EERF formula at this time. Inclusion of an LBR component in the EERF formula post-revenue decoupling does constitute double recovery of energy efficiency-related lost revenues as claimed by the Attorney General. However, all LBR at issue are related to kWh savings achieved in plan years prior to the implementation of revenue decoupling for NSTAR Electric. In addition, inclusion of an LBR component in the EERF formula does not guarantee cost recovery; instead, it establishes a method to collect projected LBR subject to the results of the Department's investigation of the Companies' three-year term report.

As the Companies acknowledge, WMECo has implemented revenue decoupling and, therefore, no longer collects LBR (Companies Reply Brief at 14, citing D.P.U. 10-70, at 40-55). Further, NSTAR Electric will no longer be eligible to request LBR recovery for energy efficiency-related savings achieved after the implementation of revenue decoupling in this case (Exh. ES-DPH-1, at 185). Accordingly, Eversource shall modify its proposed energy efficiency charges tariff to clarify that: (1) any request to recover Department-approved LBR shall be limited to energy efficiency-related savings for NSTAR Electric only; and (2) NSTAR Electric shall cease to record LBR for potential recovery as of

the date it implements revenue decoupling in this case.⁸¹ Further, because all remaining LBR at issue are solely related to savings achieved from NSTAR Electric's energy efficiency activities, we find that it is appropriate for Eversource to recover these costs from NSTAR Electric customers only. Accordingly, Eversource shall modify its proposed energy efficiency charges tariff to indicate that separate EERFs will be calculated and charged to customers in NSTAR Electric's service area to collect any remaining Department-approved LBR.

After review, the Department finds that several additional changes to the Companies' proposed energy efficiency charges tariff are necessary. First, as addressed in n.71 above, in order to avoid confusion and ensure consistency with the terminology used in the energy efficiency guidelines, Eversource shall modify its proposed energy efficiency charges tariff to cross-reference the term "systems benefit charge," as defined in Guidelines, § 2.16, in its definition of "energy conservation charge." Second, Eversource shall omit the language in of the proposed tariff specifying that when the EERF is calculated to be less than zero, it shall be set to zero (RR-DPU-51, Att. (a) at 105). Such language does not appear in the other Program Administrators' energy efficiency charges tariffs (including WMECo's), and the Companies have not demonstrated why such language is necessary or appropriate (see M.D.P.U. No. 1043H; M.D.P.U. No. 287 (Fitchburg Gas and Electric Light Company d/b/a

⁸¹ It is anticipated that the June 2018 EERF filing for rates effective July 1, 2018 will be the last filing containing LBR for energy efficiency savings achieved by NSTAR Electric prior to the implementation of revenue decoupling (Exh. ES-DPH-1, at 185-186).

Unitil); M.D.P.U. No. 1340 (Massachusetts Electric Company and Nantucket Electric Company, d/b/a National Grid)). Third, as discussed above, the Companies propose to adopt the language in NSTAR Electric's current energy efficiency charges tariffs regarding the calculation of a separate EERF for customers served by a municipal aggregator with an approved energy efficiency plan; however, early references in the proposed tariff to "municipal aggregator" omit reference to "approved energy efficiency plan" (see, e.g., RR-DPU-51, Att. (a) at 103, 104, 106). Accordingly, Eversource shall modify its proposed energy efficiency charges tariff to clarify that all references to "municipal aggregator" in the tariff are to a municipal aggregator with an approved energy efficiency plan. Finally, in order to avoid confusion, Eversource shall remove language in the proposed tariff indicating that the "EERF shall be established once every three years" as part of the three-plan plan approval process (RR-DPU-51, Att. (a) at 106).⁸²

Subject to the changes required herein, the Department finds that Eversource's proposed energy efficiency charges tariff is consistent with applicable law and Department precedent. G.L. c. 164; G.L. c. 25 §§ 19 (a), 19(b)(1), 19(b)(2); Guidelines. Eversource

⁸²

As discussed above, in the three-year plan proceedings, the Department renews the prerequisite findings to approve collection of additional funding from electric ratepayers through the establishment of an EERF mechanism (i.e., after consideration of rate and bill impacts on consumers and whether past programs have lowered the cost of electricity). G.L. c. 25, § 19(a); Guidelines § 3.2.1.6.2. The Department established that EERFs rate adjustments and reconciliations would be set on an annual basis. D.P.U. 15-160 through D.P.U. 15-169 at 113.

shall file a revised energy efficiency charges tariff in its compliance filing consistent with the above directives.

5. Other Reconciling Mechanisms

a. Introduction

Eversource proposed several tariff changes that affect the eleven reconciling mechanisms that NSTAR Electric currently has in effect and the 13 reconciling mechanisms that WMECo has in effect (Exhs. ES-RDP-9, at 31-32; ES-RDP-10, at 1; RR-DPU-51, Att. (a)).^{83,84} In addition, the Department approved the Companies' proposal to adopt a storm reserve adjustment mechanism. D.P.U. 17-05 Order at 558-559.⁸⁵ Further, we directed Eversource to develop a new reconciliation mechanism to recover the cost of its vegetation

⁸³ NSTAR Electric currently has the following reconciling mechanisms: (1) basic service reconciliation adjustment; (2) transmission service cost adjustment; (3) transition service cost adjustment; (4) energy efficiency recovery factor; (5) pensions/post-retirement benefits other than pensions adjustment factor; (6) residential assistance adjustment factor; (7) storm cost recovery adjustment factor; (8) net metering recovery surcharge; (9) long-term renewable contract adjustment; (10) Attorney General consultant expense provision; and (11) solar expansion cost recovery mechanism.

⁸⁴ WMECo currently has the following reconciling mechanisms: (1) exogenous cost adjustment mechanism; (2) basic service reconciliation adjustment; (3) transmission service cost adjustment; (4) transition service cost adjustment; (5) energy efficiency recovery factor; (6) pension/PBOP adjustment factor; (7) residential assistance adjustment factor; (8) storm cost recovery adjustment factor; (9) solar program cost adjustment; (10) net metering recovery surcharge; (11) long-term renewable contract adjustment; (12) Attorney General consultant expense provision; and (13) solar expansion cost recovery mechanism.

⁸⁵ The Department denied the Companies' request to implement a municipal property tax adjustment mechanism ("MPTA"). D.P.U. 17-05 Order at 525.

management pilot program. D.P.U. 17-05 Order at 582-584. Current and proposed tariffs for the reconciling mechanisms are outlined in the table below.⁸⁶

Reconciling Mechanism		Cancels M.D.P.U. No.: (WMECo) (NSTAR Electric)		M.D.P.U. No.: (Effective February 1, 2018)
Exogenous Cost Adjustment Mechanism	ECAM	1042A	-	-
Basic Service Cost True-Up Factor	BSTF	1026BD ⁸⁷	104F 204F 304F	517
Transmission Service Cost Adjustment		1028B	105 205 305	518
Transition Cost Adjustment		1027B	106 206 306	519
Energy Efficiency Charge/Energy Efficiency Recovery Factor	EEC/EERF	1043G	107F 207F 307H	520
Pension/PBOP Adjustment Mechanism	PAF	1041I	109A 209A 309A	522
Residential Assistance Adjustment Factor	RAAF	1040J	110C 210C 310C	523
Eastern Massachusetts Storm Cost Recovery Adjustment Factor	ESCRAF	-	116D	116E
Western Massachusetts Storm Cost Recovery Adjustment Factor	WSCRAF	1054B	-	1054C
Storm Reserve Adjustment Factor	SRAF	-	-	524
Solar Program Cost Adjustment	SPCA	1044E	-	525
Net Metering Recovery Surcharge	NMRS	1048F	163C	527
Long-Term Renewable Contract Adjustment	LTRC	1051B	164B	528
Attorney General Consultant Expense Provision	AGCE	1053B	513A	530
Municipal Property Tax Adjustment	MPTA	-	-	534
Solar Expansion Cost Recovery Mechanism	SECRM	1058	537	537A

⁸⁶ Source: RR-DPU-51.

⁸⁷ The basic service reconciliation adjustment for WMECo is currently a provision of its basic service tariff, M.D.P.U. No. 1026BD. The Companies propose to move the basic service cost reconciliation adjustment to a separate tariff, proposed M.D.P.U. No. 517, effective February 1, 2018 (see RR-DPU-51, Att. (a) at 99-100).

b. Companies Proposal

Effective February 1, 2018, Eversource proposes the following for its reconciling rates: (1) to allocate costs using separate revenue requirements for NSTAR Electric and WMECo, and using the legacy rate classes; (2) to combine the NSTAR Electric and WMECo tariffs into a single tariff for each reconciling mechanism;⁸⁸ (3) to align all operational differences that currently exist between each company's reconciliation mechanisms;⁸⁹ and (4) to standardize the language used in the tariff for each reconciling mechanism (see Exh. ES-RDP-9, at 31; RR-DPU-51, Att. (a)). In addition, Eversource proposes to develop separate allocation factors for 2018 and 2019 to be consistent with its rate class consolidation and alignment proposal (RR-DPU-50, Att. at Exhs. ES-RDP-3(ALT1)(West) WP RDP-10; ES-RDP-3(ALT1)(East) WP RDP-10; ES-RDP-2(ALT1), WP RDP-6).

Effective January 1, 2019, Eversource proposes to combine the revenue requirement of NSTAR Electric and WMECo for each of their reconciling rates (Exh. DPU 56-9, at 2

⁸⁸ For example, currently, WMECo, Boston Edison Company, Commonwealth Electric Company, and Cambridge Electric Light Company all have separate basic service reconciliation adjustment factor tariffs (M.D.P.U. No. 1026BD, M.D.P.U. No. 104F, M.D.P.U. No. 204F; M.D.P.U. No. 304F, respectively). Effective February 1, 2018, Eversource proposes to merge these tariffs into one tariff (RR-DPU-51, Att. (a) at 99-100 (proposed M.D.P.U. No. 517)).

⁸⁹ For example, NSTAR Electric's current residential assistance adjustment clause tariff allows NSTAR Electric to include forecasted arrearage management program ("AMP") expenditures (M.D.P.U. No. 110C; M.D.P.U. No. 210C; M.D.P.U. No. 310C); whereas, WMECo's current residential assistance adjustment clause tariff does not include forecasted AMP expenditures (M.D.P.U. No. 1040J). The Companies propose to include forecasted AMP expenditures in the consolidated residential assistance adjustment tariff (Exh. ES-RDP-9, at 31-34).

(Supp.)). The Companies proposed that the costs would be allocated using the combined revenue requirement for NSTAR Electric and WMECo, and using the consolidated and aligned rate classes (Exh. ES-RDP-2 (ALT1), WP RDP-6; RR-DPU-50).

c. Positions of the Parties

i. Cape Light Compact

Cape Light Compact argues that the revised rate design proposal for recovery of reconciling rate revenues results in an unjustified and inequitable cost shift (Cape Light Compact Brief at 21). Specifically, Cape Light Compact does not support combining the revenue requirement of NSTAR Electric and WMECo for the following reconciling rates: pension adjustment factor (“PAF”), storm cost recovery adjustment factor (“SCRAF”), transition cost adjustment, EERF, NMRS, and residential assistance adjustment factor (“RAAF”) (Cape Light Compact Brief at 21-22). Cape Light Compact is concerned that the Companies’ proposed treatment in the revised proposal would reduce the allocation of revenues to non residential customers by \$11,000,000 for the reconciling mechanisms for NSTAR Electric and WMECo compared to maintaining separate revenue requirements, as the Companies proposed in their initial filing (Cape Light Compact Brief at 22). Meanwhile, Cape Light Compact claims that the Companies’ proposed alternative treatment would increase the revenues of the reconciling mechanisms for NSTAR Electric’s residential customers by over \$14,000,000 (Cape Light Compact Brief at 22, citing Exhs. DPU-12-10; DPU-63-1).

Cape Light Compact notes that the Companies do not dispute the \$11,000,000 figure (Cape Light Compact Brief at 23). Cape Light Compact underscores that Eversource admitted that the shift in reconciling rate revenue from WMECo's non-residential customers to NSTAR Electric's residential customers was not purposeful (Cape Light Compact Brief at 23, citing Tr. 16, at 3329). Accordingly, Cape Light Compact contends that the resulting shift is arbitrary and inequitable (Cape Light Compact Brief at 23). Therefore, Cape Light Compact argues that the Department should defer the consolidation of the NSTAR Electric and WMECo revenue requirements for the PAF, SCRAF, transition cost adjustment, EERF, NMRS, and RAAF until the Companies' next distribution rate case (Cape Light Compact Brief at 24).

ii. Companies

Eversource argues that Cape Light Compact's criticisms are not justified (Companies Brief at 49). The Companies argue that the elimination of LBR and the sharing with NSTAR Electric and WMECo of the revenue requirement for transmission and all reconciling rates will result in a decrease of approximately \$17,000,000 to NSTAR Electric's residential customers and an increase of approximately \$4,700,000 to WMECo's residential customers when reconciling mechanism revenues from 2018 are compared to revenues from 2019 (i.e., after the consolidation of the PAF, SCRAF, transition cost adjustment, EERF, NMRS, MPTA, and RAAF) (Companies Brief at 51).

d. Analysis and Findings

i. Introduction

In D.P.U. 17-05, the Department approved the merger of NSTAR Electric and WMECo into NSTAR Electric, which amounted to a legal consolidation of these two affiliates within its parent holding company. D.P.U. 17-05 Order at 30, 43-44. Since the approval of the merger of their respective holding companies in D.P.U. 10-170-B, NSTAR Electric and WMECo have been operating on a consolidated basis for such functions as day-to-day field operations, capital-investment planning, electric field operations, electric system operations, resource planning, and emergency response planning. D.P.U. 17-05 Order at 30. Previously, in 2006, the Department approved the legal consolidation of the NSTAR Electric legacy companies into NSTAR Electric. Boston Edison Company, Cambridge Electric Light Company, Canal Electric Company, and Commonwealth Electric Company Merger, D.T.E. 06-48 (2006). Similarly, these companies had been operating on a consolidated basis since the merger of their respective holding companies in 1999. D.T.E. 99-19. The Department finds it consistent with the current corporate and operational structure within Eversource for each reconciling rate mechanism for NSTAR Electric and WMECo to be combined into a single tariff. Also, this alignment provides economies and efficiencies in the Companies' administration of its tariffs and in filings with the Department. In addition, the Department finds it appropriate, effective February 1, 2018, for costs to be

allocated to each reconciling rate mechanism using separate revenue requirements for NSTAR Electric and WMECo.⁹⁰

Further, consistent with our findings stated above, the Department finds it appropriate, effective January 1, 2019, for costs to be allocated to each reconciling rate mechanism using a combined revenue requirement for NSTAR Electric and WMECo. Also, in examining a representative allocation of 2018 and 2019 residential revenue for the reconciling rate mechanisms by the NSTAR Electric and WMECo territories, we find that any differences are not unreasonable (RR-DPU-50(f))(2019); RR-DPU-50(e)(2018)). In making this finding, the Department takes into account the associated revenue requirements for all reconciling rate mechanisms, with the inclusion of transmission service cost adjustment and the exclusion of LBR for NSTAR Electric. Cape Light Compact did not take into account the inclusion of the transmission service cost adjustment or the exclusion of LBR for NSTAR Electric in its arguments pertaining to combining the revenue requirements.

Notwithstanding our findings in favor of unified tariffs for reconciling rate mechanism and of combined revenue requirements, the Department finds, as addressed below, that it is appropriate for NSTAR Electric and WMECo to maintain separate reconciling rate mechanisms and separate revenue requirements for the recovery of deferred storm costs.

⁹⁰ Currently, NSTAR Electric calculates separate transition charges with separate revenue requirements for Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company. See, e.g., NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 15-152 (Exhs. BOS-BKR-1, at 1; CAM-BKR-1, at 1; SOUTH-BKR-1, at 1).

Below, in addition to discussing the need for separate rate reconciling mechanisms for NSTAR Electric and for WMECo related to storm cost recovery, the Department addresses specific rate reconciling mechanisms and issues related to the adoption of single tariffs for each mechanism.

Also, the Department addresses in separate sections of this Order three reconciling mechanisms in which parties raise additional issues (i.e., the transmission service cost adjustment, the EERF, and the NMRS). The Companies' proposed reconciling rate mechanisms not addressed below in other Sections of this Order are approved, i.e., basic service cost true-up factor ("BSRA"), transition cost adjustment, PAF, RAAF, SPCA, long-term renewable contract adjustment ("LTRCA"), Attorney General consultant expense provision ("AGCEF"), and solar expansion cost recovery mechanism ("SECRM"). For each of these rates except the transition cost adjustment, LTRCA, and PAF, we direct the Companies in their compliance filing to update the tariffs with the base distribution revenue allocator to comply with the revenue requirement approved for each rate class in this proceeding. For the PAF, we direct the Companies in their compliance filing to update the tariff with the labor allocator to comply with the labor allocator approved in this proceeding.⁹¹ For the AGCEF, we direct the Companies in their compliance filing to revise the tariff to provide that costs are assigned to rate classes using the base distribution revenue allocator, and to state the base distribution revenue allocator to comply with the revenue

⁹¹ The transition charge and LTRCA are recovered through a flat kWh charge from all rate classes and as such have no rate class allocator.

requirement approved for each rate class in this proceeding. For the BSRA, we direct the Companies in their compliance filing to include language stating the interest rate as the customer deposit rate applicable to the monthly balance in the account.

ii. Exogenous Cost Adjustment Mechanism

The Companies propose to eliminate WMECo's exogenous cost adjustment mechanism ("ECAM"), M.D.P.U. No. 1042A (Exh. ES-RDP-9, at 34). According to Eversource, the recovery of exogenous costs, such as those recovered through the ECAM, would be subsumed, in part, by the PBR mechanism through the Z factor (Exh. ES-RDP-9, at 34; RR-DPU-51, Att. (a) at 332-333).⁹² No party addressed this issue on brief.

The Department has reviewed the Companies' proposal to eliminate the ECAM. The Department is satisfied that the Companies have demonstrated that the ECAM is no longer warranted, and approves the elimination of WMECo's ECAM (Exh. ES-RDP-9, at 34; RR-DPU-51, Att. (a) at 332-333).

iii. WMECo's Storm Cost Recovery Adjustment Factor

Eversource proposes to cancel WMECo's current storm recovery reserve cost adjustment ("SRRCA") tariff, M.D.P.U. No. 1054B, and replace it with a SCRAF, proposed M.D.P.U. No. 1054C, effective February 1, 2018 (Exh. RR-DPU-51, Att. (a) at 119-121). Pursuant to the D.P.U. 10-70 Order and M.D.P.U. No. 1054B, WMECo's SRRCA currently recovers: (1) the storm fund deficit; and (2) the incremental funding of a reserve for the

⁹² The Z factor is a component of the PBR formula that adjusts the target revenues for positive or negative changes to the Companies' costs that are beyond the Companies' control and not reflected in the gross domestic product price index (GDP-PI) or the other components of the PBR formula. D.P.U. 17-05 Order at 340.

recovery of storm costs. D.P.U. 10-70, at 198; M.D.P.U. No. 1054B at 1. Pursuant to annual SRRCA filings, WMECo reconciles its past period revenue requirement with interest at the customer deposit rate, and uses the base distribution revenue allocator to assign the revenue requirement to its rate classes (M.D.P.U. No. 1054B at 2). As of November 1, 2017, the Companies reported a storm reserve deficit of \$8,324,052 in the SRRCA.⁹³

Western Massachusetts Electric Company, D.P.U. 17-162 (Exh. EVERSOURCE-12, at 1).

Pursuant to the proposed SCRAF, Eversource seeks to recover the incremental storm costs that WMECo incurred prior to January 1, 2018, in addition to any prior period balances associated with storm costs that the Department has approved for recovery (see RR-DPU-51, Att. (a) at 119-121 (proposed M.D.P.U. No. 1054C)).⁹⁴ The Companies do not propose to recover the incremental funding for a reserve fund through the SCRAF; rather, effective February 1, 2018, WMECo will begin recovering revenues for a reserve fund through base rates pursuant to the storm fund and the storm reserve adjustment mechanism, which the Department approved in the D.P.U. 17-05 Order at 563, as set forth in proposed M.D.P.U. No. 524 (RR-DPU-51, Att. (a) at 119-121). The Companies propose for WMECo's SCRAF to be effective February 1, 2018 and that WMECo recover during 2018 associated storm costs (i.e., incremental storm costs that WMECo incurred prior to

⁹³ The Department's review of WMECo's storm cost issues in D.P.U. 17-162 is pending.

⁹⁴ These costs would be reconciled to the revenue collected through the SCRAF in the prior year plus carrying charges at the customer deposit rate on any over- or under-collection (Exh. RR-DPU-51, Att. (a) at 119-120).

January 1, 2018) from WMECo's customers only (RR-DPU-29, at 1; see RR-DPU-51, Att. (a) at 119-121). Effective January 1, 2019, Eversource proposes to allocate WMECo's SCRAF revenue requirement to both NSTAR Electric and WMECo customers (RR-DPU-51, Att. (a) at 120).

In the D.P.U. 17-05 Order at 561, the Department allowed WMECo to continue recovering storm-related costs through its annual reconciling factor, but delayed any determination on the tariff as it related to rate design. The Department now has reviewed the Companies' proposed SCRAF tariff for WMECo and finds it reasonable, with the exception of the proposed allocation of the revenue requirement across NSTAR Electric and WMECo and for rates effective January 1, 2019, which, as discussed below, we find would be inequitable and unfair. Finally, we direct the Companies in their compliance filing to update the base distribution revenue allocator in WMECo's SCRAF tariff to comply with the revenue requirement approved for each rate class in this proceeding and to state that the deferred monthly balance shall accrue interest at the customer deposit rate.

iv. NSTAR Electric's Storm Cost Recovery Adjustment Factor

NSTAR Electric's currently effective SCRAF, M.D.P.U. No. 116D recovers the incremental costs incurred to restore power for two 2011 storm events: (1) Tropical Storm Irene; and (2) a snowstorm that occurred in October 2011 (M.D.P.U. No. 116D, § 1.10). D.P.U. 10-170-B at 49-50; NSTAR Electric Company, D.P.U. 13-52 (2013). These costs were excluded from NSTAR Electric's storm fund calculation at the time and, instead, are

recovered through the SCRAF over a five-year period beginning January 1, 2014, with carrying charges at the prime rate (see, e.g., M.D.P.U. No. 116D, § 1.01). The revenue requirement associated with these costs is allocated to each rate class using the base distribution revenue allocator (see, e.g., M.D.P.U. No. 116D, § 1.04).

Pursuant to the proposed SCRAF, Eversource seeks to recover the incremental storm costs that NSTAR Electric incurred associated with the two 2011 storms, as well as other incremental storm costs that NSTAR Electric incurred prior to January 1, 2018, and that the Department approved for recovery (RR-DPU-51, Att. (a) at 116-118 (proposed M.D.P.U. No. 116E)). Effective February 1, 2018, NSTAR Electric will begin recovering revenues for a reserve fund through base rates pursuant to the storm fund and the storm reserve adjustment mechanism, which the Department approved in the D.P.U. 17-05 Order at 563, as set forth in proposed M.D.P.U. No. 524 (RR-DPU-51, Att. (a) at 122-123). The Companies propose for NSTAR Electric's SCRAF to be effective February 1, 2018 and that NSTAR Electric recover during 2018 the aforementioned storm costs from NSTAR Electric customers only (RR-DPU-29, at 1; see RR-DPU-51, Att. (a) at 116-118). Effective January 1, 2019, Eversource proposes to allocate NSTAR Electric's SCRAF revenue requirement to both NSTAR Electric and WMECo customers (RR-DPU-51, Att. (a) at 117).

In the D.P.U. 17-05 Order at 561, the Department approved Eversource's proposal to recover all deferred storm costs incurred prior to January 1, 2018 through NSTAR Electric's SCRAF over a five-year period, but the Department delayed any determination on the tariff as it related to rate design. Additionally, the Department approved NSTAR Electric's

proposal to recover any outstanding storm fund balance of approximately \$105,000,000 for storms that have occurred since 2011 over a five-year period through NSTAR Electric's storm cost recovery reconciling mechanism. D.P.U. 17-05 Order at 560-561.⁹⁵ The Department has approved Eversource's proposal to recover these costs over a five-year period beginning February 1, 2018 and, during 2018, to recover these costs only from NSTAR Electric's customers. D.P.U. 17-05 Order at 560-561.

As noted above, effective January 1, 2019, Eversource proposes to allocate the SCRAF revenue requirement to customers of NSTAR Electric and WMECo (RR-DPU-29, at 1; RR-DPU-51, Att. (a) at 117, 120). The Department finds that the Companies' proposal is contrary to our rate design principle of fairness. While the Department has determined that it is appropriate to allow NSTAR Electric to begin recovering its significant outstanding storm balance of approximately \$105,000,000, subject to prudence reviews and reconciliation, this significant balance represents costs incurred to restore power solely to NSTAR Electric customers. D.P.U. 17-05 Order at 560. The Department finds that it would be inequitable and unfair to require WMECo customers to incur a portion of NSTAR Electric's deferred storm costs, particularly where WMECo has deferred only a small amount of its storm costs. Therefore, the Department rejects the Companies' proposal to recover NSTAR Electric's SCRAF revenue requirement from NSTAR Electric and WMECo customers effective January 1, 2019. Likewise, the Department finds that it would be

⁹⁵ The Department is currently reviewing the prudence of these storm-related costs in NSTAR Electric Company, D.P.U. 16-74 and NSTAR Electric Company, D.P.U. 17-51. Storm-related costs approved in these proceedings would be recovered through NSTAR Electric's SCRAF.

inequitable and unfair for NSTAR Electric customers to incur any of WMECo's deferred storms costs. Instead, the Department directs Eversource to allocate NSTAR Electric's SCRAF only. The Department finds that it would be inequitable and unfair to require WMECo customers to incur a portion of NSTAR Electric's deferred storm costs, particularly where WMECo has deferred only a small amount of its storm costs.⁹⁶ Therefore, the Department rejects the Companies' proposal to recover NSTAR Electric's SCRAF revenue requirement from NSTAR Electric and WMECo customers effective January 1, 2019. Instead, the Department directs Eversource to allocate NSTAR Electric's SCRAF only to NSTAR Electric's customers, and to allocate WMECo's SCRAF only to WMECo's customers. Finally, we direct the Companies in their compliance filing to update the base distribution revenue allocators listed in NSTAR Electric's SCRAF tariff to comply with the revenue requirement approved for each rate class in this proceeding.

v. Conclusion

The Department has reviewed the Companies' proposal to change their current reconciling mechanisms (Exhs. ES-RDP-9, at 34; DPU 56-9, at 2 (Supp.)). As indicated above, the Department approves the Companies' proposal to eliminate the ECAM. In addition, the Department approves the Companies' proposal to combine rate tariffs for NSTAR Electric and WMECo for effect February 1, 2018, and combine the revenue

⁹⁶ As noted above, in D.P.U. 17-162, which is pending before the Department, WMECo seeks recovery of approximately \$8,000,000 over the next five years for storm costs that occurred prior to January 1, 2018. D.P.U. 17-162 (Exh. EVERSOURCE-12, at 1).

requirement for effect January 1, 2019 with respect to the BSRA, the transition charge, the PAF, the RAAF, the SPCA, the LTRCA, the AGCEF, and the SECRM. Further, we reject the Companies' proposal to recover NSTAR Electric's SCRAF revenue requirement from NSTAR Electric and WMECo customers, and WMECo's SCRAF revenue requirement from NSTAR Electric and WMECo customers effective February 1, 2018. The Department directs Eversource in its compliance filing to comply with the above directives regarding the reconciling mechanisms. Consistent with our finding in Cost Based Reconciling Mechanisms, D.P.U. 12-126-A through 12-126-I, at 31-32 (2013), the Department directs the Companies in their compliance filing to implement the change to the allocation factors in the reconciling mechanisms for all reconciling mechanisms with tariff changes or rate changes effective February 1, 2018.

I. Basic Service Procurement and Rates

1. Introduction

Eversource proposes to maintain its basic service rate offerings during the proposed rate alignment and consolidation (Exh. ES-RDP-1, at 34). Eversource states that it will procure basic service based on the ISO-NE load zones in eastern and western Massachusetts, and it will charge customers separate pricing based on the results of these procurements (Exhs. ES-RDP-1, at 34; CLC-1-3; CLC-9-1).⁹⁷ However, the Companies state the proposed consolidation of rate classes necessitates a re-classification of the rate classes that are classified as commercial versus industrial (Exh. ES-RDP-1, at 34). Specifically, they note

⁹⁷ The Companies' treatment of basic service pricing is the same in both the initial rate design proposal and revised rate design proposal (Exh. CLC-9-1).

that basic service pricing for commercial customers is in effect for six months on a fixed basis, but industrial customers face variable pricing that is set quarterly (Exh. ES-RDP-1, at 34). According to the Companies, the proposed consolidation of rate classes will place all Rate G-1/Rate G-5 customers under the commercial six-month procurement, while the larger Rate G-2 through Rate G-4 classes will be subject to the quarterly industrial procurement (Exh. ES-RDP-1, at 34).

2. Positions of the Parties

a. RESA

As set forth above in Section IV.D.5.c.ii, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. As such, the current basic service procurement process will remain unchanged. Therefore, it is unnecessary to set forth much of RESA's arguments.

RESA argues that, despite the fact that the Companies' respective service territories cover different load zones, the revised rate design proposal would consolidate residential rate classes so that all residential customers across Massachusetts would have the same rates, but rate classes for C&I customers would remain separate between NSTAR Electric and WMECo (RESA Brief at 7, citing Exh. DPU-56-9, at 1 (Supp.), Procurement of Default Service, D.T.E. 02-40-A at 8-9 (2003); RESA Reply Brief at 3). RESA contends that the Companies' proposal is inconsistent with the Department's requirement that customers should be provided with appropriate price signals regarding the zonal cost differences associated with providing basic service, as established by the competitive market (RESA Brief at 7-8,

citing D.T.E. 02-40-A at 10; Pricing and Procurement of Default Service, D.T.E. 99-60-A, at 3 (2003)).⁹⁸ Further, RESA argues that basic service prices that do not represent the actual cost of providing the service would inhibit the development of a competitive generation market and, therefore, would be detrimental to all electricity consumers (RESA Brief at 8-9, citing D.T.E. 99-60-A, at 3). According to RESA, impeding the competitive market is not in the public interest (RESA Brief at 9). Thus, RESA asserts that in order to maintain a “robust and properly functioning retail market” by ensuring that basic service rates align with prevailing market prices and are sending efficient price signals, the Department should reject the Companies’ rate design proposal that results in the same rates for all residential customers across Massachusetts (RESA Brief at 9).

b. Companies

Eversource notes that it proposes to consolidate the Companies’ energy procurement operations, but to continue to procure basic service based on the ISO-NE load zones in

⁹⁸ According to RESA, the Department did not initially establish zone-differentiated basic service rates for residential and small commercial customers because the market lacked competitive options (RESA Brief at 8). However, RESA asserts that there is no longer a lack of competition in the market with over 20 licensed competitive suppliers serving residential and small commercial customers in Massachusetts (RESA Brief at 8, citing Massachusetts Department of Public Utilities, List of Licensed Suppliers (available at: <http://webl.env.state.ma.us/DPU/FileRoom/Licenses>)). Moreover, RESA adds that over one million residential customers are served by competitive suppliers (RESA Brief at 8, citing Massachusetts Department of Energy Resources, Electric Customer Migration Data (available at: <http://www.mass.gov/eea/grants-and-tech-assistance/guidance-technical-assistance/agenciesand-divisions/doer/electric-customer-migration-data.html>)). Therefore, to maintain a competitive retail market, RESA argues that basic service rates should align with market prices and send efficient price signals (RESA Brief at 9).

eastern Massachusetts and western Massachusetts (Companies Brief at 12, citing Exh. ES-RDP-1, at 29, 34). The Companies do not specifically respond to RESA's arguments.

3. Analysis and Findings

Because the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time, the current basic service procurement process will remain unchanged. If the Companies seek to consolidate C&I rate classes in a future proceeding, they shall address any changes to distribution companies' costs, their billing systems, impacts to their customers, impacts to the suppliers, and the wholesale market in general. See D.T.E. 02-40-C at 20-22.

Further, we find that Eversource's proposal will not require all customers across the Commonwealth to pay the same rate for basic service. The Companies propose to maintain separate pricing between their NSTAR Electric and WMECo service territories and set basic service rates on the basis of separate ISO-NE zonal procurements (Exhs. ES-RDP-1, at 29, 34; CLC-1-3; CLC-9-1). Therefore, we are not persuaded by RESA's argument in this regard.

J. CIAC Carrying Charge for Interconnection

1. Introduction

In June 2016, the Internal Revenue Service ("IRS") issued Revenue Notice 2016-36, "Transfers of Property to Regulated Public Utilities by Electric Generators," which affects the tax treatment of transfers of property to a regulated public utility in connection with

interconnection of a distributed generation facility to the transmission system (Exh. DPU-3, at 22; Tr. 9, at 1804-1808). Prior to Revenue Notice 2016-36, the IRS required distribution companies to include in their gross income the payment by a distributed generation facility to the distribution company for the cost of capital improvements and equipment associated with interconnecting the facility, referred to as contribution in aid of construction (“CIAC”) (Exh. DPU-3, at 3-4). Revenue Notice 2016-36 provided a new safe harbor in which the transfer property associated with an interconnection of a distributed generation facility will not be treated as CIAC or give rise to gross income (Exh. DPU-3, at 10).

Revenue Notice 2016-36 modifies and supersedes Revenue Notice 88-129, 1988-2 C.B. 541; Revenue Notice 90-60, 1990-2 C.B. 345; and Revenue Notice 2001-82, 2001-2 C.B. 619 by permitting “a generator (such as a solar or wind farm) may contribute an intertie to a utility that qualifies under the new safe harbor even if the generator is interconnected with a distribution system, rather than a transmission system, if all the requirements [...] are met” (Exh. DPU-3, at 10-11). Revenue Notice 2016-36 notes five requirements for the safe harbor to apply including one stating that the generator may not purchase electricity from the utility unless the purchase satisfies the five-percent test, meaning that during the ten taxable years of the utility beginning with the year in which the interconnected distributed generation facility is placed into service, no more than five percent of the projected total power flows will flow to the generator (Exh. DPU-3, at 12-13).

When Eversource agrees to interconnect a distributed generation facility, it adds a CIAC carrying charge calculated as the net present value of the tax payments and tax

deductions over the depreciable life of the asset, discounted at the Companies' weighted average cost of capital (Exh. NECEC-5-1; RR-DPU-27). Eversource seeks to continue to collect a CIAC carrying charge for all distributed generation facilities placed into service (Exh. NECEC-5-1). When a customer pays a CIAC, the amount of the CIAC must be included in Eversource's taxable income (Exh. NECEC-5-1). The Companies collect a CIAC carrying charge from customers that interconnect distributed generation because Eversource pays taxes to the IRS up front when the CIAC is received (Exh. NECEC-5-1). When the equipment associated with the interconnection and CIAC depreciates, it results in a deferred tax asset to insulate other customers from paying carrying charges associated with the increase in rate base resulting from Eversource's receipt of a CIAC (Exh. NECEC-5-1).

2. Positions of the Parties⁹⁹

a. NECEC¹⁰⁰

NECEC argues that IRS Revenue Notice 2016-36 establishes that, for many distributed generation interconnections, Eversource does not have federal tax liability, and thus should stop collecting a CIAC carrying charge from those distributed generation

⁹⁹ All references to the briefs in this section are to the briefs filed by the intervenors and Companies in July and August 2017.

¹⁰⁰ No other party commented on the CIAC carrying charge interconnection issue in this proceeding. However, the Department acknowledges receipt of detailed comments from Syncarpha Capital, LLC ("Syncarpha") (Syncarpha Comments at 2-18). Syncarpha, an installer of 14 solar distributed generation facilities in the Commonwealth, states that Eversource should not collect a tax gross-up amount from Syncarpha or any other interconnecting customer that satisfies the requirements of Revenue Notice 2016-36 (Syncarpha Comments at 2, 4). Further, Syncarpha requests that the Department require the Companies to refund tax gross-up payments paid by Syncarpha to Eversource during the past several years (Syncarpha Comments at 5).

facilities (NECEC Brief at 39 citing Exhs. DPU-3 at 10-11; NECEC-5-8; Tr. 9, at 1804-1809; RR-DPU-27). NECEC claims that the record shows that in 2016, Eversource collected approximately \$3 million in CIAC carrying charges from customers who installed distributed generation facilities without equivalent tax liability (NECEC Brief at 38-39; NECEC Reply Brief at 8 citing Exh. NECEC-5-1). Further, NECEC maintains that Eversource did not provide comprehensive responses to NECEC's information requests concerning this CIAC carrying charge interconnection issue (NECEC Brief at 38-39). As such, NECEC asserts that it is unclear: (1) whether Eversource actually paid any taxes that would support the need to collect offsetting carrying charges from customers; (2) what Eversource does with the funds it collects through such charges prior to payment for tax liabilities; and (3) whether Eversource ever reconciles the amounts it collects with the amount it purports to pay in associated taxes (NECEC Brief at 40-41 citing Exhs. NECEC-5-2; NECEC-5-4; NECEC-5-5; NECEC-5-6; NECEC-5-7).

NECEC argues that it is particularly important to understand how Eversource has handled the CIAC carrying charges it has collected because, after Revenue Notice 2016-36, it should be possible for Eversource to obtain refunds associated with any tax payments made reflecting the receipt of interconnection costs (NECEC Brief at 41). Further, NECEC contends that collecting a CIAC carrying charge from customers who pay interconnection upgrade costs to interconnect distributed generation facilities creates a barrier to the deployment of distributed generation, which is contrary to the Commonwealth's public policy (NECEC Brief at 41). In addition, NECEC claims that to the extent electric distribution

companies determine that they will not include the contributions of customers to interconnect as income for tax purposes, there is a need to ensure that the funds collected from customers are appropriately reimbursed (NECEC Brief at 41).

NECEC asserts that the Department should open a docket to investigate the practice of Eversource and the other electric distribution companies with respect to the collection of CIAC carrying charges from customers who pay to interconnect distributed generation resources to the electric grid (NECEC Brief at 3, 39; NECEC Reply Brief at 9). NECEC further asserts that, in the interim, the Department should direct Eversource to cease collecting CIAC carrying charges, document its past collection of such charges and the disposition of funds collected through such charges, and develop a mechanism for reimbursing its customers (NECEC Brief at 3, 39; NECEC Reply Brief at 9).

b. Companies

Eversource argues that it is “far from clear” that a blanket exemption from tax liability exists for interconnection charges (Companies Reply Brief at 145). In particular, Eversource notes that the IRS previously has issued letter rulings that are contrary to Revenue Notice 2016-36 (Exh. NECEC-5-8). In this regard, Eversource sent questions to the IRS to seek clarity on the contradiction and will apply the final decision accordingly (Exh. NECEC-5-8; RR-DPU-27). Eversource avers that it is collecting the CIAC carrying charges without a tax liability and that such fees are credited to all customers to insulate customers from the negative impact to rate base caused by including the CIAC in taxable income (Companies Reply Brief at 145 citing Exh. NECEC-5-1). The Companies assert that

if they cease collecting the CIAC carrying charge from a few interconnecting customers prior to receiving IRS clarification, there would be an adverse impact to all other customers because they would experience an increase in rate base (Companies Reply Brief at 146). Further, Eversource claims that if the Department orders the Companies to refund the CIAC carrying charges already collected from interconnecting customers, all customers would see an increase in rates to account for the refund costs (Companies Reply Brief at 146).

3. Analysis and Findings

The Department has reviewed Revenue Notice 2016-36 and the alleged impacts of the continued collection of CIAC carrying charges that NECEC and Syncarpha raise (see n.100 above). Since Eversource did not clearly address this issue in its initial filing, the Department is concerned that other stakeholders, who are not parties to this proceeding, may not have had an opportunity to adequately consider and argue the interconnection CIAC carrying charge issue. In particular, the Department expects that project developers as well as the other electric distribution companies, could have an interest in collection of interconnection CIAC carrying charges and the interpretation of Revenue Notice 2016-36. However, a significant number of these stakeholders are not actively involved in this proceeding.¹⁰¹

As the agency that regulates the interconnection of distributed generation and approves associated tariffs, the Department has made significant efforts to ensure that the rules,

¹⁰¹ The Department notes that the other electric distribution companies, Fitchburg Gas and Electric Light Company and Massachusetts Electric Company and Nantucket Electric Company, are participating in this proceeding, but as limited participants.

regulations, and policies governing interconnection are applied in a consistent manner across the different electric distribution company service territories. See Interconnection of Distributed Generation, D.P.U. 11-75-A at 4-5 (2012) (convening a working group is appropriate for the purpose of reaching a consensus on interconnection of distributed generation issued). In keeping with this objective, we find that the possibility of an electric distribution company ceasing collection of CIAC carrying charges from customers who pay to interconnect distributed generation facilities warrants broader inquiry, with relevant input from interested stakeholders, to determine whether and to what extent a consistent and reasonable ratemaking approach may be developed.

Based on this finding, the Department concludes that it would be inefficient to expend additional resources on the adjudication of the interconnection CIAC carrying charge issue in the instant proceeding. See Eastern Energy Marketing, Inc. and Enserch Energy Services, Inc., D.P.U. 96-47, at 2 (1996) (Department finding it inefficient to develop and issue a policy statement and generic guidelines mandating the unbundling of gas services in light of specific proposals before it). Rather, the Department determines that it would be appropriate to open a proceeding in the future to investigate the tax treatment of CIAC carrying charges as applied to the interconnection of distributed generation facilities, with the intent to set a uniform practice for all electric distribution companies. Among other issues, we anticipate collecting data regarding the number of interconnected distributed generation facilities that would meet the requirements of Revenue Notice 2016-36, the impact to customers without distributed generation, and proposals for addressing any refunds that the Department may

deem necessary. The Department expects to open a generic proceeding to establish a uniform policy regarding the tax treatment of CIAC carrying charges and make determinations as to whether electric distribution companies should: (1) have collected CIAC carrying charges; (2) issue refunds to interconnected customers; and (3) exclude such charges for future interconnecting customers.

The Department finds that reserving adjudication of the interconnection CIAC carrying charge issue for a subsequent proceeding is reasonable and necessary for a fair resolution of the issues presented. Further, we find that our decision will not impact adjudication of the Eversource's remaining proposals in the instant base rate case, which focus on the Companies' overall rate design. Further, we do not make findings with respect to the substance of the interconnection CIAC carrying charge issue and, therefore, nothing prevents the Companies or another entity from raising the issue at a later time. Based on the foregoing and without prejudice to the Companies or NECEC, the Department declines to reach the merits of the interconnection CIAC carrying charge issue at this time.

K. Rate-by-Rate Analysis

1. Introduction

The Department must determine, on a rate class by rate class basis, the proper level at which to set the customer charge and distribution charges for each rate class, based on a balancing of our rate design goals. The Department's long-standing policy regarding the allocation of class revenue requirements is that a company's total distribution costs should be allocated on the basis of equalized rates of return. See, e.g., D.T.E. 02-24/25, at 256;

D.T.E. 01-56, at 139; D.P.U. 92-250, at 193-194; D.P.U. 92-210, at 214. This allocation method satisfies the Department's rate design goal of fairness. Nonetheless, the Department must balance its goals of fairness with its goal of continuity. For this balancing, we have reviewed the changes in total revenue requirements by rate class and bill impacts by consumption level within rate classes.¹⁰²

In balancing our rate design goals, the Department seeks optimal economic efficiency. Overall, the Department seeks to achieve revenue adequacy and fair apportionment of costs while promoting economically justified use. However, there are factors and constraints that affect achieving an efficient balancing of our rate design goals. For example, some current utility rate structures, as is the case with NSTAR Electric, are based on dated rate structures adjudicated and established more than 25 years ago. For example, Boston Edison Company's rate structure was last adjudicated and established in 1986, Boston Edison Company,

¹⁰² In its initial rate design proposal, Eversource provided bill impacts for residential customers for 2018 and 2019 and for C&I customers for 2018 across a range of usage levels (Exhs. ES-RDP-2, Sch. RDP-9; ES-RDP-3, Sch. RDP-3). Moreover, in its revised rate design proposal, Eversource similarly provided bill impacts for residential customers for 2018 and 2019 and for C&I customers for 2018 across a range of usage levels (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-9; RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3). For C&I customer rates after 2018, ten models summarize bill impacts for the five proposed NSTAR Electric consolidated rate classifications (*i.e.*, Rate G-1 non-demand, Rate G-1 demand, Rate G-2, Rate G-3 and Rate G-4), and for the five proposed WMECo aligned rate classifications (*i.e.*, Rate G-1 non-demand, Rate G-1 demand, Rate G-2, Rate G-3 and Rate G-4) (Exhs. ES-RDP-1, at 62 n.15; ES-RDP-4, Schs. RDP-3 through RDP-7, RDP-11 through RDP-14 (East); ES-RDP-4, Schs. RDP-3 through RDP-7, RDP-12, and RDP-13 (West); RR-DPU-50, Att. (g)). According to Eversource, convergence of multiple rate designs to a single rate design results in disparate bill impacts from customer to customer as the impact of the rate designs are compounded by differences in customer load factor (Exh. ES-RDP-1, at 61).

D.P.U. 86-271 (1986); Commonwealth Electric Company's rate structure was last adjudicated and established in 1991, Commonwealth Electric Company, D.P.U. 89-117/90-331/91-80 (1991); and Cambridge Electric Light Company's rate structure was last adjudicated and established in 1993, Cambridge Electric Light Company, D.P.U. 92-250 (1993). These rate cases were followed by several rate settlements with little or no content pertaining to rate design. As a result, those legacy rate structures may have been designed under cost structures that no longer align with market economics. Remedying these aged cost structures presents challenges to our goal of continuity, meaning that rate structure changes should be made in a predictable and gradual manner, with limited, unexpected changes seriously adverse to existing customers, and that reasonable time should be allowed for consumers to adjust their consumption pattern in response to a change in the structure. Also, utility rate structures must account for federal and state energy initiatives (e.g., PURPA,¹⁰³ Massachusetts electric industry restructuring¹⁰⁴), public policy actions (e.g., low-income discount, farm discount, system benefits charges, net metering), and changing market conditions. In establishing specific rate structures, the Department executes its assigned ratemaking function by applying our expertise and judgment in balancing the rate design goals in consideration of public policy requirements.

¹⁰³ Public Utility Regulatory Policies Act of 1978, 92 Stat. 3117.

¹⁰⁴ An Act Relative to Restructuring the Electric Utility Industry In The Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, St. 1994, c. 164.

In Section IV.D.5.c above, the Department directed the Companies to:

(1) consolidate and align their residential rates and classes effective February 1, 2018; (2) maintain existing legacy C&I rate classes effective February 1, 2018; and (3) consolidate street lighting rates within NSTAR Electric and align street lighting rate class availability across NSTAR Electric and WMECo effective February 1, 2018. The Department did not allow the Companies to implement base distribution rate design changes effective January 1, 2019, as the Companies had proposed. Therefore, in the Department's rate by rate analysis, our findings pertain only to rates for effect on February 1, 2018.

2. Residential

a. Introduction

The Companies' current residential rates are available for all domestic purposes in individual private dwellings, individual apartments, or residential condominiums (M.D.T.E. No. 120F; M.D.T.E. No. 220G; M.D.T.E. No. 320F; M.D.P.U. No. 100W). For rates effective February 1, 2018, the Companies proposed to retain all existing residential rate classes (Exh. DPU-56-9, at 1 (Supp.); Motion to Delay Rate Implementation at 1-2). For rates effective January 1, 2019, the Companies proposed to consolidate rate classes and distribution rates for both NSTAR Electric and WMECo, so that within each rate class, all residential customers across Eversource's service territory would have the same rates (Exhs. DPU-56-9, at 1 (Supp.); ES-RDP-1, at 17-18; ES-RDP-9, at 27-28). Thus, the Companies proposed that the consolidated residential tariffs (i.e., Rate R-1 to Rate R-4) will

govern residential customers served by NSTAR Electric and by WMECo (Exh. ES-RDP-9, at 26).

Eversource's proposed consolidated Rate R-1 is available for all domestic uses in a single private dwelling, in an individual apartment or in a residential condominium in which the principal means of heating the premises is not provided by permanently installed electric space heating equipment (RR-DPU-51, Att. (c) at 1). Eversource's proposed consolidated Rate R-2 is available to any Rate R-1 customer that is eligible for the low-income home energy assistance program, or its successor program, or receives any means-tested public benefit for which eligibility does not exceed 200 percent of the federal poverty level based on a household's gross income (RR-DPU-51, Att. (c) at 4).

Eversource's proposed consolidated Rate R-3 is available for all domestic uses in a single private dwelling, in an individual apartment, or in a residential condominium where the principal means of heating the premises is provided by permanently installed electric space heating equipment (RR-DPU-51, Att. (c) at 7). Eversource's proposed consolidated Rate R-4 is available to any Rate R-3 customer that is eligible for the low-income home energy assistance program, or its successor program, or receives any means-tested public benefit for which eligibility does not exceed 200 percent of the federal poverty level based on a household's gross income (RR-DPU-51, Att. (c) at 12). The Companies' proposed customer charges for 2018 are set forth in the tables below.

b. WMECo Residential**WMECo Residential Rates and Charges¹⁰⁵**

Current Rate Class	Proposed Rate Class	Availability	Current Customer Charge	2018 Proposed Customer Charge
R-1	R-1	Residential non-heating	\$6.00	\$8.00
R-2	R-2	Residential non-heating low income	\$6.00	\$8.00
R-3	R-3	Residential heating	\$6.00	\$8.00
R-4	R-4	Residential heating low income	\$6.00	\$8.00

The Companies proposed to eliminate WMECo's inclining block rates (Exh. ES-RDP-1, at 13). Eversource proposed to transfer all WMECo legacy Rate R-1 customers to consolidated Rate R-1, all WMECo legacy Rate R-2 customers to consolidated Rate R-2, all WMECo legacy Rate R-3 customers to consolidated Rate R-3, and all WMECo legacy Rate R-4 customers to consolidated Rate R-4 for rates effective January 1, 2019 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (West)).

¹⁰⁵ Source: RR-DPU-50, at Exh. ES-RDP-3 (ALT1), Sch. RDP-1 (West).

c. Boston Edison Company Residential**Boston Edison Company Residential Rates and Charges¹⁰⁶**

Current Rate Class	Proposed Rate Class	Availability	Current Customer Charge	2018 Proposed Customer Charge
R-1	R-1	Residential non-heating	\$6.43	\$8.00
R-2	R-2/R-4	Residential heating and non-heating low income	\$6.43	\$8.00
R-3	R-3	Residential heating	\$6.43	\$8.00
R-4	R-1	Optional Residential Time of Use	\$9.99	\$9.99

Eversource proposed to transfer all Boston Edison Company legacy Rate R-1 and Rate R-4 customers to consolidated Rate R-1, and all Boston Edison Company legacy Rate R-3 customers to consolidated Rate R-3 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). The Companies proposed to transfer Boston Edison Company legacy customers on Rate R-2 to consolidated Rate R-4 if these customers are low-income heating customers (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). Eversource proposed to transfer non-heating customers on Boston Edison Company legacy Rate R-2 to consolidated Rate R-2 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)).

¹⁰⁶ Source: RR-DPU-50, at Exh. ES-RDP-3 (ALT1), Sch. RDP-1 (East).

d. Cambridge Electric Light Company Residential**Cambridge Electric Light Company Residential Rates and Charges¹⁰⁷**

Current Rate Class	Proposed Rate Class	Availability	Current Customer Charge	2018 Proposed Customer Charge
R-1	R-1	Residential non-heating	\$6.87	\$8.00
R-2	R-2	Residential non-heating low income	\$6.87	\$8.00
R-3	R-3	Residential heating	\$7.77	\$8.00
R-4	R-4	Residential heating low income	\$7.77	\$8.00
R-5	R-1	Optional Residential Time-of-Use (for R-1)	\$10.47	\$10.47
R-6	R-3	Optional Residential Space Heating Time-of-Use (for R-3)	\$11.37	\$11.37

Eversource proposed to transfer all Cambridge Electric Light Company legacy Rate R-1 and Rate R-5 customers to consolidated Rate R-1 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). Eversource proposed to transfer all Cambridge Electric Light Company legacy Rate R-3 and Rate R-6 customers to consolidated Rate R-3 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). The Companies proposed to transfer all legacy customers taking service on Rate R-2 and Rate R-4 to the respective consolidated Rate R-2 and Rate R-4 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)).

¹⁰⁷ Source: RR-DPU-50, at Exh. ES-RDP-3 (ALT1), Sch. RDP-1 (East).

e. Commonwealth Electric Company Residential**Commonwealth Electric Company Residential Rates and Charges¹⁰⁸**

Current Rate Class	Proposed Rate Class	Availability	Current Customer Charge	2018 proposed Customer Charge
R-1	R-1	Residential non-heating	\$3.73	\$8.00
R-2	R-2	Residential non-heating low income	\$3.73	\$8.00
R-3	R-3	Residential heating	\$10.03	\$10.03
R-4	R-4	Residential heating low income	\$10.03	\$10.03
R-5	R-1	Controlled Water Heating (closed)	n/a	n/a
R-6	R-1	Optional Residential Time-of-Use (for R-1)	\$7.33	\$8.00

Eversource proposed to transfer all Commonwealth Electric Company legacy Rate R-1, Rate R-5, and Rate R-6 customers to consolidated Rate R-1 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). Eversource proposed to transfer all Rate R-2, Rate R-3, and Rate R-4 to the respective consolidated Rate R-2, Rate R-3, and Rate R-4 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)).

¹⁰⁸ Source: RR-DPU-50, at Exh. ES-RDP-3 (ALT1), Sch. RDP-1 (East).

f. Positions of the Parties

i. Attorney General

The Attorney General asserts that it is unreasonable to have customers' bills change by more than 1.5 times the average increase and by less than 0.5 times the class average percentage increase given the amount of rate mitigation required for other classes (Attorney General Brief at 12, citing Exh. AG-SJR-1, at 23). The Attorney General maintains that it is important to evaluate the change in a customer charge with respect to the impact on a low-use residential customer because this charge is a more significant portion of that customer's bill, as much as 25 percent (Attorney General Reply Brief at 5, citing Exh. ES-RDP-2, Sch. RDP-9). Further, the Attorney General alleges that the customer charge for a low-use residential Commonwealth Electric Company customer will increase from 8.8 percent to 16.9 percent of the total bill under the Companies' 2018 initial rate design proposal (Attorney General Reply Brief at 5, citing Exh. ES-RDP-2, Sch. RDP-9). Accordingly, the Attorney General argues that the Companies' bill impacts are unreasonable and contravene the rate design principles of continuity and fairness (Attorney General Reply Brief at 5-6, citing Massachusetts-American Water Company, D.P.U. 95-118, at 174-175 (1996)). Therefore, the Attorney General asserts that the Department should reject the Companies' proposed rate design (Attorney General Brief at 14).

The Attorney General recommends that residential rates move toward a common customer charge, but that increases in the charge should be limited to no more than 1.5 times the class-average increase, and no less than 0.5 times the class-average increase (Attorney

General Brief at 17, citing Exh. AG-SJR-1, at 28-29, 34). According to the Attorney General, the residential per-kWh charges then should be set to collect the remaining revenue requirement (Attorney General Brief at 17). The Attorney General contends that this approach makes progress toward cost-based rate consolidation “in a manner that is consistent with well-established regulatory principles, such as gradualism and fairness” (Attorney General Brief at 17).

ii. Acadia Center

Acadia Center argues that high customer charges contravene the Department’s rate design principles of efficiency and fairness, and public policy principles for low-income customer equity (Acadia Center Brief at 9). Acadia Center recommends that monthly customer charges should be set at the cost of keeping a customer connected to the electric grid plus the associated customer service costs (Acadia Center Brief at 10). Acadia Center notes that customer charges may be set lower, based on public policy considerations (Acadia Center Brief at 10, citing Exhs. AC-ML-3, at 8; AC-ML-4).

According to Acadia Center, the Companies’ proposed \$8.00 customer charge for the residential rate classes is too high and is not supported by any intervenor (Acadia Center Brief at 12). Acadia Center recommends that the Department obtain a more accurate assessment of customer-related costs (Acadia Center Brief at 13). Further, Acadia Center argues that the Department must consider Commonwealth Electric Company customers’ bill impacts when setting a uniform residential customer charge across the Companies’ service territories (Acadia Center Brief at 13). Acadia Center recommends that a customer charge of

approximately \$5.50 is appropriate because it is the same as National Grid's residential customer charge and corresponds to a customer weighted average for Eversource's current residential customer charges (Acadia Center Brief at 13, citing Exh. CLC-JFW-1, at 10; D.P.U. 15-155, at 475; Acadia Center Reply Brief at 2, 9).

iii. Cape Light Compact

Cape Light Compact argues that the Department should reject the Companies' customer charge proposal because it contravenes the Department's ratemaking principles of efficiency, fairness, and continuity (Cape Light Compact Brief at 32). Cape Light Compact disagrees with Eversource's position that moving the customer charge closer to the fully allocated cost of service bill per month promotes economic efficiency (Cape Light Compact Reply Brief at 9). Cape Light Compact asserts that the Companies' proposed customer charges contravene the Department's rate design principle of efficiency because the Companies did not reasonably explain how their proposal sends accurate price signals to customers (Cape Light Compact Brief at 35, citing Exh. ES-RDP-1, at 43).

Cape Light Compact maintains that a customer charge should reflect the marginal cost, not the embedded cost, to accurately reflect an efficient price (Cape Light Compact Brief at 35, citing Exh. CLC-JFW-1, at 8). Further, Cape Light Compact argues that a customer charge should be designed to include only minimum connection costs, or the cost to connect a customer who uses little to no energy, and is comparable to the average of Boston Edison Company's, Cambridge Electric Light Company's, and Commonwealth Electric Company's current Rate R-1 customer charge (Cape Light Compact Brief at 32, citing

Exh. CLC-JFW-1, at 9-10; Cape Light Compact Brief at 41, citing Exh. CLC-JFW-1, at 11; Cape Light Compact Brief at 35, citing Exh. CLC-JFW-1, at 9; Cape Light Compact Reply Brief at 9).¹⁰⁹ Therefore, Cape Light Compact maintains that because Eversource designed customer charges based on embedded costs and included more than the minimum connection costs, Eversource's proposed customer charges are overstated, send improper price signals to customers, weaken customers' control of their bills, and reduce incentives to maximize energy efficiency (Cape Light Compact Brief at 35-36, 38, citing Exh. CLC-JFW-1, at 18).

Further, Cape Light Compact argues that Eversource's customer charge proposal shifts recovery of costs from the volumetric rate to the customer charge, and, thus, contravenes the Department's fairness principle (Cape Light Compact Brief at 38, citing Exh. CLC-JFW-1, at 10). As a result of this shift in costs, Cape Light Compact argues that low-use customers would contribute a larger share of recovery of volumetric costs compared to the share of costs a high-use customer would contribute (Cape Light Compact Brief at 38, citing Exh. CLC-JFW-1, at 14-17). Moreover, according to Cape Light Compact, a customer charge is unavoidable, and, therefore, burdens low-use customers and benefits high-use customers (Cape Light Compact Brief at 29, citing Exh. ES-RDP-1, at 3). Therefore, Cape Light Compact asserts that higher customer charges diminish price signals for efficient consumption and shift cost responsibility to low-use customers (Cape Light Compact Brief

¹⁰⁹ According to Cape Light Compact, minimum connection costs include service drops, meters, meter reading, and billing (Cape Light Compact Brief at 35, citing Exh. CLC-JFW-1, at 9).

at 31, citing Exhs. CLC-JFW-1, at 4; CLC-KFG-1, at 21; AC-ML-1, at 19; SREF-TW/MW-1, at 6; VS-NP-1, at 13).

Cape Light Compact also asserts that increasing a customer charge by more than double is not a gradual rate change and contravenes the Department's ratemaking principle of continuity (Cape Light Compact Brief at 40, citing Exh. CLC-JFW-1, at 11). According to Cape Light Compact, abrupt changes in customer charges do not allow customers to adjust their consumption patterns (Cape Light Compact Brief at 41).

Moreover, according to Cape Light Compact, Eversource has not proven that a cost shift would result from a lower customer charge after decoupling, and has failed to consider whether revenue decoupling would result in cost-shifting from other classes to residential customers (Cape Light Compact Brief at 40). Cape Light Compact adds that Eversource's argument that a cost shift would result from a lower customer charge after revenue decoupling is baseless, insincere, and unproven (Cape Light Compact Brief at 40).

Cape Light Compact argues that, despite Eversource's attempts to minimize the importance of increasing customer charges, the Department should give the residential customer charges due scrutiny (Cape Light Compact Reply Brief at 10). Cape Light Compact recommends that the Department adopt its proposal to set the customer charge for NSTAR Electric at the current average of the three current customer charges for Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (Cape Light Compact Brief at 32). Alternatively, Cape Light Compact asserts that, if the Department does not approve the Companies' proposed consolidation, then the

Department should set customer charges at the current rate for Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (Cape Light Compact Brief at 32 n.9; Cape Light Compact Brief at 41, citing Exh. CLC-JFW-1, at 11).

iv. Low Income Network

According to the Low Income Network, the Companies' proposed consolidated Rate R-4 proposal causes a pattern of increases and decreases over two years and, therefore, is burdensome to customers (Low Income Network Brief at 1, citing Tr. 16, at 3292). For example, the Low Income Network explains that the Companies' proposed increase to WMECo customers is an average of 3.4 percent over two years, but results in an increase of 5.8 percent in the first year (Low Income Network Brief at 2). The Low Income Network maintains that this increase is more than the average low-income household's grocery expenses for 1.5 weeks (Low Income Network Brief at 2, citing Tr. 16, at 3290-3291). Therefore, the Low Income Network requests that the Department direct Eversource to provide smoother bill impacts for low-income customers where these customers would otherwise experience a sequence of increases and decreases, or uneven increases (Low Income Network Brief at 2).

v. Companies

In response to Cape Light Compact's argument that the customer charge should be set based on marginal cost, and lower than the \$8.00 proposed by the Companies, Eversource argues that marginal cost pricing for rate design is contrary to recent Department precedent (Companies Brief at 39). According to the Companies, they relied on the ACOSS to set

customer charges, which they contend is a method consistent with the Department's policies on rate design (Companies Brief at 39). Thus, Eversource argues that it is not inappropriately shifting usage related costs from the energy charge to the customer charge (Companies Brief at 39). Therefore, the Companies assert that Cape Light Compact's position is incorrect that it is fair to minimize fixed cost recovery because Eversource recovers reductions in volumetric cost recovery caused by energy efficiency through revenue decoupling (Companies Brief at 39). The Companies acknowledge that revenue decoupling is intended to recover such shortfalls; however, the Companies maintain that decoupling does not preclude them from designing rates that are intended to reasonably collect their revenue targets (Companies Brief at 39). Accordingly, Eversource contends that the Department should not find it appropriate for revenue decoupling to replace distribution rate design (Companies Brief at 39).

Further, the Companies argue that the fully allocated customer charge is approximately \$10 to \$15 per bill per month and does not include system demand costs (Companies Reply Brief at 13, 21, citing Exh. ES-RDP-1, at 42). Therefore, the Companies proposed \$8.00 customer charge is less than the fully embedded cost (Companies Reply Brief at 21).

In response to the Attorney General's complaint about the Companies' proposal to increase the customer charge from \$3.73 to \$8.00 for Commonwealth Electric Company customers, the Companies allege that for customers in the 10th percentile of usage, the

monthly bill impact is only \$4.34 (Companies Reply Brief at 13).¹¹⁰ Eversource maintains that the \$8.00 customer charge represents the cost that it incurs for administering a customer's bill and having service in place, and it does not over recover customer-related costs (Companies Reply Brief at 13, citing Exh. ES-RDP-1, at 43). According to the Companies, an \$8.00 customer charge ensures that low-use customers pay a portion of actual customer-related costs, and therefore, are not subsidized by higher use customers in the same rate class (Companies Reply Brief at 13, citing Exh. ES-RDP-1, at 43). Therefore, the Companies disagree with the Attorney General's argument that the bill impact for an average-use customer is meaningless and that the Department should evaluate bill impacts only for low-use customers (Companies Reply Brief at 12).

In response to the Cape Light Compact's recommendation that the Companies average the proposed customer charges for the three legacy NSTAR Electric companies, Eversource asserts that this recommendation reduces the efficiency and fairness of the rate design (Companies Reply Brief at 21). Further, Eversource asserts that it has not suggested that the Department not scrutinize individual fixed charges, as suggested by Cape Light Compact (Companies Reply Brief at 21-22). Eversource clarifies that it supports bill impact analyses where a change in rates causing a large percentage increase but relatively small dollar increase, is not viewed as significant of an impact as one causing a large percentage and relatively large dollar increase (Companies Reply Brief at 22). Therefore, Eversource asserts

¹¹⁰ A customer using approximately 0 kWh per month to 178 kWh per month is included in the 10th percentile of usage (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ATL1), Sch. RDP-9, at 12 (East)).

that its residential customer charge proposal balances total bill impacts for all customers and maintains fairness (Companies Reply Brief at 22). For all these reasons, the Companies maintain that their proposed customer charge for their residential rate classes is reasonable (Companies Reply Brief at 13).

g. Analysis and Findings

The Department approved the Companies' consolidation of residential rates above in Section IV.D.5.c.i. In approving the Companies' consolidation of residential rates, the Department allowed the Companies' to eliminate residential inclining block rates, residential seasonal rates, residential optional TOU rates, and residential controlled water heating rates. Therefore, based on our findings in Section IV.D.5.c.i above, for residential rates effective February 1, 2018, the Department directs Eversource to modify WMECo's volumetric charges so that these rate classes are charged based on a flat rate structure. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase.

Accordingly, effective February 1, 2018, the Department approves Eversource's residential rates to include the following rate schedules: (1) Rate R-1 Residential, for customers taking non-heating service at a residential premise; (2) Rate R-2 Residential Assistance, for customers taking non-heating service at a residential premise who qualify for identified means tested public benefits; (3) Rate R-3 Residential Heating, for customers taking electric space heating service at a residential premise; and (4) Rate R-4 Residential Assistance Heating, for customers taking electric space heating service at a residential

premise who qualify for identified means tested public benefits (Exh. ES-RDP-1, at 20-21; RR-DPU-51, Att. (c) at 1-12).

According to the Companies' ACOSS, the embedded customer charge for the consolidated Rate R-1 and Rate R-2 is \$10.88 per month (RR-DPU-49, Att. (J) at Exh. ES-ACOS-2 (ALT1) at 7). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$7.00 for Rate R-1 and Rate R-2 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the Companies to set the volumetric charges for Rate R-1 and Rate R-2, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

According to the Companies' ACOSS, the embedded customer charge for consolidated Rate R-3 and Rate R-4 is \$13.89 per month (RR-DPU-49, Att. (J) at Exh. ES-ACOS-2 (ALT1) at 7). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a proposed monthly customer charge of \$7.00 for Rate R-3 and Rate R-4 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the Companies to set the volumetric charges for Rate R-3 and Rate R-4, truncated at five decimal places, to collect the remaining class revenue requirement

approved in this Order. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

3. C&I

a. Introduction

NSTAR Electric's and WMECo's rate classifications include a variety of sized-based availability criteria (Exh. ES-RDP-1, at 51). Some rate classifications are available to customers with defined end uses, such as commercial space heating, all electric schools, and church service (Exh. ES-RDP-1, at 51-52). The Companies' current C&I rate classes also contain a variety in the rate structures, TOU periods, and definitions of billing demand (Exh. ES-RDP-1, at 52). In Section IV.D.5.c.ii above, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Therefore, we shall address only changes to rates effective February 1, 2018. NSTAR Electric and WMECo's current C&I rate classes are listed in the table, below.

Legacy C&I Rate Classes¹¹¹

Boston Edison Company	Cambridge Electric Light Company	Commonwealth Electric Company	WMECo
<ul style="list-style-type: none"> • General Service Rate G-1 (demand/non-demand) • General Service Rate G-2 • General Service TOU Rate G-3 • Opt. General Service TOU Rate T-1 • Opt. General Service TOU Rate T-2 • General Service Standby SB-G3 • General Service Standby SB-T2 • WR 	<ul style="list-style-type: none"> • General (non-demand) Rate G-0 • General Rate G-1 • Large General TOU/Secondary Rate G-2 • Large General TOU / 13.8 kV Service Rate G-3 • Optional General TOU Rate G-4 • Commercial Space Heating Rate G-5 • Optional General TOU (non-demand) Rate G-6 • SB-1 • SB-G2 • SB-G3 	<ul style="list-style-type: none"> • General Rate G-1 • Medium General Service TOU Rate G-2 • Large General Service TOU Rate G-3 • General Power Rate G-4 • Commercial Space Heating Rate G-5 • All Electric School Rate G-6 • Optional General TOU Rate G-7 • SB-G2 • SB-G3 	<ul style="list-style-type: none"> • Small General Service TOU Rate T-0 • Large Primary Service Rate T-2 • Primary General Service Rate T-4 • Extra Large Primary Service TOU Rate T-5 • Small General Service Rate G-0 • Primary General Service Rate G-2 • Optional Church Rate 24 • Optional Controlled Water Heating Rate 23

b. Positions of the Partiesi. Attorney General

The Attorney General recommends no change in the legacy non-residential rate classes, due to the diverse number of non-residential rates, and the special characteristics of the customers served by those rates (Attorney General Brief at 16). Additionally, the Attorney General recommends moving each non-residential rate class closer to its cost of service by increasing each specific rate or charge by the same percentage as the required

¹¹¹ Source: Exh. ES-RDP-1, at 53.

revenue increase for the legacy class (Attorney General Brief at 16-17, citing Exhs. AG-SJR-1, at 41; DPU-AG-1-7; AG-SJR-AS-1, at 6).

ii. Acadia Center

Acadia Center argues that the proposed customer charges for all of WMECo's aligned C&I rate classes and NSTAR Electric's aligned Rate G-3 and Rate G-4 are higher than the customer-related unit costs (Acadia Center Brief at 13, citing Exh. AC-ML-1, at 21 (table 1)). Therefore, Acadia Center maintains that the customer charges must be reduced (Acadia Center Brief at 13-14).

c. Analysis and Findings

i. Boston Edison Company

(A) Rate G-1/Rate T-1 Overview

Rate G-1 is available to C&I customers with maximum demand that does not exceed or is not estimated to exceed 10 kW in any billing month (M.D.T.E. No. 130F). The Companies install a demand meter for customers with either three-phase service or single-phase service exceeding 100 amperes (M.D.T.E. No. 130F). Eversource proposed to decrease the customer charge for Rate G-1 non-demand customers from \$8.14 per month to \$7.55 per month, and for Rate G-1 demand customers from \$12.09 per month to \$11.21 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 1-3 (East)).

Rate T-1 is available to C&I customers with maximum demand at or estimated to be below 10 kW in any billing month (M.D.T.E. No. 133F). The Companies install a demand meter for customers with use exceeding 3,000 kWh in any one month to evaluate whether the

customer is eligible for transfer to Rate T-2 (M.D.T.E. No. 133F). Eversource proposed to decrease the customer charge for Rate T-1 customers from \$10.13 per month to \$9.40 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 18 (East)).

(B) Rate G-1/Rate T-1 Analysis and Findings

According to the Companies' ACOS, the embedded customer charge for combined Rate G-1 and Rate T-1 is \$15.26 per month (RR-DPU-49, Att. (B) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds monthly customer charges of \$8.00 for Rate G-1 non-demand, and \$11.00 for Rate G-1 demand are reasonable and are consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-1, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$10.00 for Rate T-1 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the

Company to set the volumetric charges for Rate T-1, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation. Moreover, the Department directed the Companies to close Rate T-1 to new customers effective February 1, 2018 in Section IV.G.1.c.

(C) Rate G-2/Rate T-2 Overview

Rate G-2 is available to C&I customers with service voltage less than 10,000 volts and with maximum demand equal to or greater than 10 kW but less than 200 kW in any billing month (M.D.T.E. No. 131F). Eversource proposed to decrease the customer charge for Rate G-2 customers from \$18.19 per month to \$17.66 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 5-9 (East)). For demand above 10 kW, the Companies proposed to decrease the monthly winter demand charge from \$9.43 to \$9.15, and the monthly summer demand charge from \$20.22 to \$19.63 (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 5-9 (East)).

Rate T-2 is available to C&I customers with service voltage less than 10,000 volts and with maximum demand equal to or greater than 10 kW in any billing month (M.D.T.E. No. 134F). The Companies proposed to decrease the customer charge from \$27.77 per month to

\$26.95 per month for Rate T-2 customers with demand between 0 kW per month and 150 kW per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 19 (East)). For Rate T-2 customers with demand between 150 kW per month and 300 kW per month, the Companies proposed to decrease the customer charge from \$114.62 per month to \$111.25 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 19 (East)). For Rate T-2 customers with demand between 300 kW per month and 1,000 kW per month, the Companies proposed to decrease the customer charge from \$166.67 per month to \$161.77 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 19 (East)). For Rate T-2 customers with demand greater than 1,000 kW per month, the Companies proposed to decrease the customer charge from \$374.57 per month to \$363.56 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 19 (East)). In addition, the Companies propose to decrease the monthly winter demand charge from \$11.20 per kW to 10.87 per kW and the monthly summer demand charge from \$19.65 per kW to \$19.07 per kW (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 19 (East)).

(D) Rate G-2/Rate T-2 Analysis and Findings

According to the Companies' ACOS, the embedded customer charge for combined Rate G-2 and Rate T-2 is \$35.33 per month (RR-DPU-49, Att. (B) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$18.00 for Rate G-2 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-2, truncated at five decimal

places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Based on a review of the embedded costs and the bill impacts on customers, the Department finds that the following monthly customer charges to be reasonable and consistent with the Department's rate design goals: (1) \$27.00 for Rate T-2 with demand between 0 kW and 150 kW per month; (2) \$110.00 for Rate T-2 customers with demand between 150 kW and 300 kW per month; (3) \$160.00 for Rate T-2 customers with demand between 300 kW and 1,000 kW per month; and (4) \$360.00 for Rate T-2 customers with demand greater than 1,000 kW per month. Moreover, the Department directs the Companies to set the demand charges for Rate T-2, truncated at two decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting

rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(E) Rate G-3 Overview

Rate G-3 is available to C&I customers (1) with service voltage equal to or greater than 14,000 volts, and (2) if the customer furnishes, installs, owns, and maintains, at its expense, all associated protective devices, transformers, and other equipment that the Companies require (M.D.T.E. No. 132F). Eversource proposed to increase the customer charge for Rate G-3 customers from \$237.07 per month to \$251.55 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 10-17 (East)). The Companies proposed to increase the monthly winter demand charge from \$8.59 to \$9.11 and the monthly summer demand charge from \$14.56 to \$15.45 (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 10-17 (East)).

(F) Rate G-3 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for Rate G-3 is \$156.09 per month (RR-DPU-49, Att. (B) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$250.00 for Rate G-3 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the demand charges for Rate G-3, truncated at two decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9, at 28

(East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(G) Rate WR Overview

Service under Rate WR is available for electricity supplied and delivered in bulk to Massachusetts Water Resources Authority's ("MWRA") Deer Island Treatment Facility from NSTAR Electric's K Street Transmission Station (M.D.P.U. No. 135G). Rate WR pre-dates electric industry restructuring in Massachusetts;¹¹² after this restructuring, Rate WR was revised to unbundle the rate for separate supply and distribution charges (Exh. DPU-62-6). Eversource allocates only MWRA customer-related costs to Rate WR (Exh. DPU-62-6). The Companies proposed to decrease the monthly customer charge for Rate WR from \$187.00 to \$154.21 (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East), at 28).

(H) Rate WR Analysis and Findings

According to the Companies' ACOS, the embedded customer charge for Rate WR is \$150.48 per month (RR-DPU-49, Att. (B) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a

¹¹² The Legislature instituted major restructuring of the electric industry in Massachusetts, effective March 1, 1998, that, among other things, provided for unbundled supply and delivery of electricity. An Act Relative to Restructuring the Electric Utility Industry In The Commonwealth, Regulating the Provision of Electricity and Other Services, and Promoting Enhanced Consumer Protections Therein, St. 1994, c. 164.

monthly customer charge set at the embedded customer cost as a result of the Companies' compliance ACOSS for Rate WR is reasonable and is consistent with the Department's rate design goals. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

ii. Cambridge Electric Light Company

(A) Rate G-0/Rate G-1/Rate G-6 Overview

Rate G-0 is available to C&I customers with maximum demand at or estimated below 10 kW in any three consecutive billing months (M.D.T.E. No. 230G). Eversource proposed to increase the customer charge for Rate G-0 customers from \$4.62 per month to \$5.34 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 25 (East)).

Rate G-1 is available to C&I customers with maximum demand greater than 10 kW in any three consecutive billing months, but not greater than 100 kW in each twelve consecutive billing months (M.D.T.E. No. 231G). Eversource proposed to increase the customer charge for Rate G-1 customers from \$7.32 per month to \$8.46 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 26 (East)).

Rate G-6 is an optional TOU non-demand rate available to C&I customers with maximum demand at or less than 10 kW in any three consecutive billing months (M.D.T.E. No. 236G). Eversource proposed to increase the customer charge for Rate G-6

customers from \$8.22 per month to \$9.49 per month (RR-DPU-50, Att. (f)

at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 31 (East)).

(B) Rate G-0/Rate G-1/Rate G-6 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for combined Rate G-0, Rate G-1, and Rate G-6 is \$17.49 per month (RR-DPU-49, Att. (D) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$5.00 for Rate G-0 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the Companies to set the volumetric charges for Rate G-0, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing this rate (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$8.00 for Rate G-1 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-1, truncated at five decimal

places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$9.00 for Rate G-6 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric charges for Rate G-6, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the proposed method for establishing these rates. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(C) Rate G-2 Overview

Rate G-2 is available to C&I customers with maximum demand greater than 100 kW per month for at least twelve consecutive billing months (M.D.T.E. No. 232G). Eversource proposed to increase the customer charge for Rate G-2 customers from \$90.00 per month to

\$103.96 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 27 (East)).

(D) Rate G-2 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-2 is \$155.87 per month (RR-DPU-49, Att. (D) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$97.00 for Rate G-2 is reasonable. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-2, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(E) Rate G-3 Overview

Rate G-3 is available to C&I customers with maximum demand greater than 100 kW per month for at least twelve consecutive billing months with service supplied at approximately 13,800 volts (M.D.T.E. No. 233G). Eversource proposed to increase the

customer charge for Rate G-3 customers from \$90.00 per month to \$103.96 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 28 (East)).

(F) Rate G-3 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-3 is \$154.06 per month (RR-DPU-49, Att. (D) at Exh. ES-ACOS-2 (ALT1), at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$97.00 for Rate G-3 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-3, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(G) Rate G-4 Overview

Rate G-4 is an optional TOU rate class available to C&I customers with maximum demand equal to or less than 100 kW per month for at least twelve consecutive billing months (M.D.T.E. No. 234G). Eversource proposed to increase the customer charge for

Rate G-4 customers from \$10.92 per month to \$12.61 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 29 (East)).

(H) Rate G-4 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-4 is \$142.73 per month (RR-DPU-49, Att. (D) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$12.00 for Rate G-4 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-4, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(I) Rate G-5 Overview

Rate G-5 is a commercial space heating rate that has been closed to new customers since December 1, 1985 (M.D.T.E. No. 235G). Eversource proposed to increase the customer charge for Rate G-5 customers from \$7.20 per month to \$8.32 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 30 (East)).

(J) Rate G-5 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-5 is \$46.70 per month (RR-DPU-49, Att. (D) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$8.00 for Rate G-5 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric charges for Rate G-5, truncated at five decimal places to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

iii. Commonwealth Electric Company

(A) Rate G-1/Rate G-7 Overview

Rate G-1 is available to C&I customers with maximum demand less than or equal to 100 kW per month in each twelve consecutive billing months (M.D.T.E. No. 330F). Customers taking service on Rate G-1 can be classified as annual or seasonal customers (M.D.T.E. No. 330F). Eversource proposed to increase the customer charge for Rate G-1

annual and seasonal customers from \$5.53 per month to \$6.38 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 32-33 (East)).

Rate G-7 is an optional TOU rate that is available to C&I customers with maximum demand less than or equal to 100 kW per month in each twelve consecutive billing months (M.D.T.E. No. 336F). Customers taking service on Rate G-7 can be classified as annual or seasonal customers (M.D.T.E. No. 336F). Eversource proposed to increase the customer charge for Rate G-7 seasonal and annual customers from \$9.13 per month to \$10.54 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 39 (East)).

(B) Rate G-1/Rate G-7 Analysis and Findings

According to the Companies' ACOS, the embedded customer charge for combined Rate G-1 and Rate G-7 is \$19.76 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$6.00 for Rate G-1 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-1 annual and seasonal, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting

rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$10.00 for Rate G-7 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the Company to set the volumetric and demand charges for Rate G-7 annual and seasonal, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates. Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(C) Rate G-2 Overview

Rate G-2 is available to C&I customers with maximum demand greater than 100 kW per month but less than or equal to 500 kW per month in each twelve consecutive billing months (M.D.T.E. No. 331F). Eversource proposed to increase the customer charge for Rate G-2 customers from \$360.13 per month to \$416.40 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 34 (East)).

(D) Rate G-2 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-2 is \$168.15 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$370.00 for Rate G-2 is reasonable. Moreover, the Department directs the Companies to set the volumetric and demand charges for Rate G-2, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(E) Rate G-3 Overview

Rate G-3 is available to C&I customers with maximum demand greater than 500 kW per month in each twelve consecutive billing months (M.D.T.E. No. 332F). Eversource proposed to increase the customer charge for Rate G-3 customers from \$900.00 per month to \$1,035.97 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 35 (East)).

(F) Rate G-3 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate G-3 is \$158.42 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$930.00 for Rate G-3 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-3, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(G) Rate G-4 Overview

Rate G-4 is a general power service rate that has been closed to new customers since 1980 (M.D.T.E. No. 333F). Eversource proposed to increase the customer charge for Rate G-4 customers from \$5.53 per month to \$6.39 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 36 (East)).

(H) Rate G-4 Analysis and Findings

According to the Companies' ACOS, the embedded customer charge for Rate G-4 is \$59.79 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$6.00 for Rate G-4 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-4, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(I) Rate G-5 Overview

Rate G-5 is a commercial space heating rate class that has been closed to new customers since 1989 (M.D.T.E. No. 334F). Eversource proposed to increase the customer charge for Rate G-5 customers from \$5.40 per month to \$6.24 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 37 (East)).

(J) Rate G-5 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for Rate G-5 is \$27.88 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$6.00 for Rate G-5 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric charge for Rate G-5, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing this rate (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(K) Rate G-6 Overview

Rate G-6 is an all-electric school rate schedule that has been closed to new customers since 1980 (M.D.T.E. No. 335F). Eversource proposed to increase the customer charge for Rate G-6 customers from \$27.13 per month to \$31.34 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 38 (East)).

(L) Rate G-6 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for Rate G-6 is \$38.87 per month (RR-DPU-49, Att. (C) at Exh. ES-ACOS-2 (ALT1) at 4). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$30.00 for Rate G-6 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric charge for Rate G-6, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing this rate (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (East)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

iv. WMECo

(A) Rate 23 Overview

Rate R-23 is a closed rate for non-residential customers with separately metered water heaters (Exh. DPU-38-4; M.D.P.U. No. 1002W). According to the Companies, these accounts typically serve multi-unit buildings and have separate statements (Exh. DPU-38-4). The Companies proposed to increase the customer charge for Rate 23 customers from \$16.00

per month to \$21.04 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 1 (West)).

(B) Rate 23 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate 23 is \$46.61 per month (RR-DPU-49, Att. (E) at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$17.00 for Rate 23 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric charge for Rate 23, truncated at five decimal places, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing this rate (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(C) Rate 24 Overview

Rate 24 is an optional rate for houses of worship (M.D.P.U. No. 1003W). This optional rate has been closed to new customers since 1992. D.P.U. 10-70, at 344-345. The Companies proposed to increase the customer charge for Rate 24 customers from \$60.00 per

month to \$78.13 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 2 (West)).

(D) Rate 24 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate 24 is \$133.72 per month (RR-DPU-49, Att. (E) at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$65.00 for Rate 24 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate 24, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(E) Rate G-0/Rate T-0 Overview

Rate G-0 is available to C&I customers with maximum demand at or below 349 kW per month (M.D.P.U. No. 1004W). The Companies proposed to increase the customer charge for Rate G-0 customers from \$30.00 per month to \$33.61 per month and the demand

charge from \$9.05 per kW to \$10.14 per kW for all kW over two kW (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 3 (West)).

Rate T-0 is an optional TOU rate for C&I customers on Rate G-0 with demand at or below 349 kW per month (M.D.P.U. No. 1005W). The customer and demand charges are the same as Rate G-0, except that the demand charge is established based on demands only during the on-peak hours (i.e., 12:00 p.m. to 8:00 p.m.) (M.D.P.U. No. 1005W at 1; RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 3-4 (West)). The Companies proposed to increase the customer charge for Rate T-0 customers from \$30.00 per month to \$33.61 per month (Exhs. RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 4 (West)).

(F) Rate G-0/Rate T-0 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for the combined Rate G-0 and Rate T-0 is \$28.90 per month (RR-DPU-49, Att. (E) at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$30.00 for Rate G-0 and Rate T-0 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-0 and Rate T-0, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our

continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(G) Rate G-2/Rate T-4 Overview

Rate G-2 is available to C&I customers with demand at or below 349 kW per month (M.D.P.U. No. 1006W). Customers taking service under Rate G-2 must take service at the primary level (M.D.P.U. No. 1006W). The Companies proposed to increase the customer charge for Rate G-2 customers from \$325.00 per month to \$436.24 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 5 (West)).

Rate T-4 is a TOU rate for C&I customers on Rate G-2 with demand at or below 349 kW per month (M.D.P.U. No. 1007W). The customer and demand charges are the same as Rate G-2, except that the demand charge is established based only on demands during the on-peak hours (i.e., 12:00 p.m. to 8:00 p.m.) (M.D.P.U. No. 1007W at 1; RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 5-6 (West); M.D.P.U. No. 1007W). The Companies proposed to increase the customer charge for Rate T-4 customers from \$325.00 per month to \$436.24 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 6 (West)).

(H) Rate G-2/Rate T-4 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for the combined Rate G-2 and Rate T-4 is \$57.91 per month (RR-DPU-49, Att. (E))

at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$353.00 for Rate G-2 and Rate T-4 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate G-2 and Rate T-4, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(I) Rate T-2 Overview

Rate T-2 is a TOU rate for C&I customers with monthly demand at or above 350 kW per month up to 2,500 kW per month (M.D.P.U. No. 1008W). The Companies proposed to increase to the customer charge from \$700.00 per month to \$980.20 per month for Rate T-2 customers with demand between 350 kW per month and 999 kW per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 7 (West)). For Rate T-2 customers with demand between 1,000 kW per month and 1,499 kW per month, the Companies proposed to increase the customer charge from \$1,500.00 per month to \$2,100.43 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 8 (West)). For Rate T-2

customers with demand between 1,500 kW per month and 2,500 kW per month, the Companies proposed to increase the customer charge from \$2,500.00 per month to \$3500.71 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Schs. RDP-1, at 2 (West); RDP-3, at 8 (West). In addition, Eversource proposed to increase the monthly demand charge for Rate T-2 from \$6.31 per kW to \$8.84 per kW (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 7-8 (West)).

(J) Rate T-2 Analysis and Findings

According to the Companies' ACROSS, the embedded customer charge for Rate T-2 \$188.32 per month (RR-DPU-49, Att. (E) at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that monthly customer charges of: (1) \$760.00 for customers with demand between 350 kW per month and 999 kW per month; (2) \$1,625.00 for customers with demand between 1,000 kW per month and 1,499 kW per month; and (3) \$2,700.00 for customers with demand between 1,500 kW per month and 2,999 kW per month for Rate T-2 are reasonable and are consistent with the Department's rate design goals. Moreover, the Department directs Eversource to set the volumetric and demand charges for Rate T-2, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are moderate and reasonable, considering the size of the increase. Further, with respect to

Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

(K) Rate T-5 Overview

Rate T-5 is a TOU rate for C&I customers whose monthly demand is 2,500 kW per month and above (M.D.P.U. No. 1049B). The Companies proposed to increase the customer charge for Rate T-5 from \$3,500.00 per month to \$5,240.38 per month (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 9 (West)). The Companies proposed to increase the monthly demand charge for Rate T-5 from \$4.49 per kW to \$6.72 per kW (RR-DPU-50, Att. (f) at Exh. ES-RDP-3 (ALT1), Sch. RDP-3, at 9 (West)).

(L) Rate T-5 Analysis and Findings

According to the Companies' ACOSS, the embedded customer charge for Rate T-5 is \$321.44 per month (RR-DPU-49, Att. (E) at Exh. ES-ACOS-2 (ALT1) at 3). Based on a review of the embedded costs and the bill impacts on customers, the Department finds that a monthly customer charge of \$3,800.00 for Rate T-5 is reasonable and is consistent with the Department's rate design goals. Moreover, the Department directs the Companies to set the volumetric and demand charges for Rate T-5, truncated at five decimal places and two decimal places, respectively, to collect the remaining class revenue requirement approved in this Order, using the Companies' proposed method for establishing these rates (RR-DPU-50, Att. (k) at Exh. ES-RDP-8 (ALT1), WP RDP-9 (West)). Such rate design satisfies our simplicity goal, as well as our continuity goal because it produces bill impacts that are

moderate and reasonable, considering the size of the increase. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

4. Street Lighting

a. Introduction

Eversource offers street and security lighting service across all its service territories (Exh. ES-RDP-1, at 99). Street lighting refers to the lighting of roadways and security lighting refers to the use of area lights and flood lights in public and other outdoor spaces (Exh. ES-RDP-1, at 99).

The Companies currently offer two street lighting rate classes for all legacy companies in separate tariffs: (1) Rate S-1 for company-owned and maintained distribution poles, and company-owned and maintained luminaires; and (2) Rate S-2 for company-owned and maintained distribution poles and customer-owned and maintained luminaires (Exhs. ES-RDP-1, at 21; M.D.P.U. Nos. 140T, 240U, 241T, 340U, 341V, 1009AC, and 1010AC, and M.D.T.E. No. 141F). Additionally, Boston Edison Company has a separate provision for flood lighting, Rate S-3 (Exh. ES-RDP-9, at 31; M.D.P.U. No. 142T). The Companies proposed to consolidate Boston Edison Company's Rate S-3 into the proposed Rate S-1 (Exh. ES-RDP-9, at 31). Further, Eversource proposes to consolidate street lighting offerings within NSTAR Electric so that there is one Rate S-1 and one Rate S-2 for all NSTAR Electric legacy street lighting rate classes (Exh. ES-RDP-9, at 31; RR-DPU-51 Att. (c) at 32-47; proposed M.D.P.U. Nos. 511 and 512). Further, the Companies proposed

to consolidate the tariffs between NSTAR Electric and WMECo but offer separate pricing between the two companies (Exh. ES-RDP-9, at 31; RR-DPU-51, Att. (c) at 32-47; proposed M.D.P.U. Nos. 511 and 512).

Additionally, the Companies proposed to introduce six new street lighting options for light-emitting diode (“LED”) technology (Exh. ES-RDP-1, at 102-103). These offerings are contained within the Rate S-1 tariff and include LED fixtures ranging in load from 30 watts to 220 watts (Exh. ES-RDP-1, at 103).

The Companies initially proposed to align and consolidate street lighting rates effective January 1, 2018 (Exh. ES-RDP-1, at 50). In their revised rate design proposal, the Companies modified their initial rate design proposal so that aligned and consolidated street lighting rates would take effect January 1, 2019 (Exhs. DPU-56-9, at 1-2 (Supp.); ES-RDP-7 (ALT1), Schs. RDP-1 through RDP-9). In its revised proposal, Eversource proposed a transition period for 2018, in which street lighting rates would be maintained as they are currently offered (Exhs. DPU-56-9, at 1-2 (Supp.); ES-RDP-7 (ALT1), Schs. RDP-6 through RDP-9).

b. Positions of the Parties

i. DOER

DOER maintains that Eversource agreed to adopt a 25watt LED offering in its Rate S-1 tariff (DOER Brief at 16, citing Tr. 16, at 3285; DOER Reply Brief at 3, citing Tr. 16, at 3285). DOER recommends that the Department require the Companies to offer the lower

wattage LED street lighting when evaluating the Companies' street lighting proposal for Rate S-1 (DOER Brief at 16; DOER Reply Brief at 3).

DOER notes that Eversource also acknowledged that: (1) the fixed charge per Rate S-1 customer would be lower if more fixtures were switched to lower-wattage equipment because demand costs would be lower; and (2) LED fixtures have longer life expectancies than non-LED fixtures, and, therefore, lower O&M costs (DOER Brief at 16, citing Exhs. DOER-1-5; DOER-1-6; DOER Brief at 17, citing RR-DOER-4; RR-DOER-5; Tr. 16, at 3286; DOER Reply Brief at 3). According to DOER, the Companies agreed that a separate, lower O&M cost for LED streetlights based on a 40-percent reduction to the O&M costs of traditional street lights is appropriate (DOER Brief at 17, citing Tr. 16, at 3286; DOER Reply Brief at 3, citing RR-DOER-4; RR-DOER-5; Tr. 16, at 3286). DOER asserts, however, the Companies proposed the same O&M costs regardless of the type of street lighting fixture in determining Rate S-1 rate design (DOER Brief at 16; DOER Reply Brief at 3-4). Therefore, DOER recommends that the Department direct the Companies to reduce the O&M costs for LED fixtures to reflect increased life expectancy and lower maintenance costs (DOER Brief at 17, 19, citing RR-DOER-4, Atts. (a)-(c); RR-DOER-5, Atts. (a)-(e); DOER Reply Brief at 4).

Further, DOER argues that the Companies' proposed street lighting rate structure for Rate S-2 discourages the deployment of energy efficient lighting (DOER Brief at 14). DOER asserts that the Companies' rate structure causes a municipality taking service on Rate S-1

using a 58-watt high-pressure sodium streetlight to pay less than a municipality taking service on Rate S-2 using a 30-watt LED fixture (DOER Brief at 17).

Additionally, DOER maintains that municipalities installing energy efficient lighting controls are unable to recover any savings in their electricity bills by reducing consumption, because the Companies' Rate S-2 tariff allows for an annual burn hour schedule based on the wattage of the fixture (DOER Brief at 18, citing Exhs. CAMB-SL-1; ES-RDP-12, Part 2, at 37; M.D.P.U. No. 512). Therefore, DOER supports Cambridge's request that the Department direct the Companies to develop a modified Rate S-2 tariff that reflects reduced billed usage caused by street lighting controls (DOER Brief at 18).

ii. Cambridge

Cambridge explains that it installed street lighting controls to operate almost all of its fixtures at 70 percent of maximum output in order to reduce usage for some street lights through scheduling their operation (Cambridge Brief at 5, citing Exh. CAMB-SL-1, at 2; Cambridge Reply Brief at 1). Cambridge alleges that the Companies' Rate S-2 tariff for customer-owned street lighting, however, does not recognize reduced kWh usage as a result of lighting controls, because the tariff charges all unmetered street lights as if they operate at full output from dusk to dawn (Cambridge Brief at 5, citing RR-DPU-51, Att. (c) at 44; Cambridge Reply Brief at 1). Cambridge acknowledges that the full output from dusk to dawn may be appropriate for some street lights, but it is not appropriate for Cambridge's street lights (Cambridge Brief at 5). According to Cambridge, Eversource charged Cambridge for 2,073,917 kWh of usage in 2017, but the metered use for Cambridge's street

lights was 891,784 kWh, or approximately 57 percent less (Cambridge Brief at 5; Cambridge Reply Brief at 1).¹¹³ Therefore, Cambridge maintains that Eversource billed Cambridge \$160,000 more than it would have been billed if Eversource billed street lights based on actual usage (Cambridge Brief at 6, citing Exh. CAMB-SL-1, at 3).

Moreover, Cambridge asserts that the Rate S-2 tariff does not meet the Department's rate design goal of efficiency (Cambridge Brief at 6). According to Cambridge, the Rate S-2 tariff does not provide a signal to customers to reduce consumption (Cambridge Brief at 6). Instead, Cambridge maintains that the Rate S-2 tariff charges customers based on a predetermined level of kWh, regardless of the actual amount of electricity the customer uses (Cambridge Brief at 6). Further, Cambridge alleges that the design of the Rate S-2 tariff does not provide an incentive for other municipalities to install street lighting controls to reduce electricity consumption and thereby energy costs (Cambridge Brief at 6, citing Exh. CAMB-SL-1, at 4).

Cambridge requests that the Department direct the Companies to work with Cambridge and other interested parties to develop a modified Rate S-2 tariff that reflects reduced billed usage caused by street lighting controls (Cambridge Brief at 6; Cambridge Reply Brief at 1-2). Cambridge recommends that, if the Department directs such action, Eversource file a report on its progress by March 1, 2018, with a modified tariff by June 30, 2018 (Cambridge Brief at 6; Cambridge Reply Brief at 1). Cambridge maintains that,

¹¹³ Cambridge measured actual electricity usage with smart controllers on its street lights and claims that these devices contain revenue grade meters (Cambridge Brief at 5, citing Exh. CAMB-SL-1, at 2-3).

although Eversource agreed that a solution is necessary, Eversource did not endorse Cambridge's request for a working group claiming that it is "outside the scope of this proceeding" (Cambridge Reply Brief at 1). Cambridge asserts that this issue is within the scope of this proceeding because Eversource filed its street light tariff in this proceeding (Cambridge Reply Brief at 1).

iii. Acadia Center

According to Acadia Center, Cambridge's street lighting modernization is an action encouraged by statute, regulations, and state policy, but these policies are inconsistent with the Companies' proposal that billing for street lighting rates cannot vary based on actual usage (Acadia Center Reply Brief at 7, citing Cambridge Brief at 5; Companies Brief at 47). Acadia Center argues that the Department should establish a rate structure that rewards behaviors like Cambridge and encourages other cities to take similar actions (Acadia Center Reply Brief at 7). According to Acadia Center, modernizing the Companies' systems to accept information from technology other than meters is consistent with grid modernization efforts (Acadia Center Reply Brief at 7).

iv. Companies

(A) Response to DOER

The Companies assert that they proposed a 25-watt LED street light offering under Rate S-1 rate and a reduction of O&M costs for LEDs that reflect a longer life expectancy and lower maintenance costs (Companies Reply Brief at 33-34). According to the Companies' analysis, 59 percent of O&M costs are attributable to re-lamping, which is not a

requirement for LED lighting (Companies Reply Brief at 34). Therefore, Eversource claims that it would be reasonable to apply 41 percent of the O&M component in its proposed street lighting rates to the design of the proposed LED street lighting rates (Companies Reply Brief at 34). The Companies maintain that they will re-evaluate LED O&M costs based on the actual O&M expense that they incur when setting LED street lighting rates in the future (Companies Reply Brief at 34).

(B) Response to Acadia Center and Cambridge

The Companies maintain that Cambridge installed street lighting controls knowing that Cambridge took service on the Companies' unmetered streetlight rates, and its bill would be unaffected (Companies Brief at 47). Eversource asserts that if Cambridge wanted to be billed according to a metered rate to reflect its controlled usage, it could have elected to take this service (Companies Brief at 47). The Companies note that municipalities traditionally do not elect metering for street lights because it is cost prohibitive (Companies Brief at 47).

The Companies maintain that Cambridge's metering systems do not interface with the Companies' billing system, and that the Companies cannot verify the accuracy of Cambridge's billing data (Companies Brief at 47). Eversource agrees with Cambridge that a solution is necessary and expects to allow meter reads from Cambridge's systems (Companies Brief at 47). However, Eversource states that it needs to develop procedures for accepting Cambridge's data (Companies Brief at 47). Therefore, the Companies maintain that the Department cannot address, in this proceeding, the issue of rewarding municipalities for installing more efficient fixtures because substantial evidence is not on the record (Companies

Reply Brief at 31). Eversource commits to investigating this issue and supports the formation of a working group with municipalities, including Cambridge, to resolve issues regarding the measurement of street lighting usage data (Companies Reply Brief at 31-32, 48). Moreover, Companies add that their LED street lighting proposal facilitates the deployment of energy efficient lighting and serves as a foundation to address these issues in the future (Companies Reply Brief at 32).

c. Analysis and Findings

In Section IV.D.5.c.iii above, the Department allowed the consolidation and alignment of the Companies' street lighting tariffs for rates effective February 1, 2018. Eversource has proposed a variety of changes to its street lighting service. The Department has examined the proposed rate design for the street lighting Rate S-1 and Rate S-2 (Exh. ES-RDP-7 (ALT1), Schs. RDP-1 through RDP-5). The Department finds that the proposed rate design for the street lighting rate classes satisfies continuity goals and produces bill impacts that are moderate and reasonable, considering the size of the increase. Therefore, the Department directs Eversource in the compliance filing to compute the street light charges using the method proposed by the Companies, subject to our findings, and the increase from the allocation process and revenue requirement for the street light class approved by the Department. Further, with respect to Section 141, the Department has reviewed the resulting rate design and finds that its impact does not inhibit the successful development of energy efficiency and on-site generation.

Regarding DOER's recommendations that the Eversource offer certain lower-wattage LED fixtures, the Companies agreed to accept DOER's recommendation to offer a 25-watt LED fixture (Companies Reply Brief at 33-34; Exh. DOER-6-2, Att.; Tr. 16, at 3285). Accordingly, the Department directs Eversource to include an offering in its street lighting tariff for a 25-watt LED rate.

Further, the Companies agreed to modify their O&M cost calculations used to determine their proposed LED lighting rates from its initial filing (Companies Reply Brief at 34; RR-DOER-5). The Department accepts the Companies' proposal to apply 41 percent of the O&M component of their street lighting rates to the design of their LED street light offerings. The Department finds this modification to be cost-based and, therefore, reasonable (RR-DOER-5). Therefore, the Department directs the Companies in their compliance filing to compute the rate for the LED lighting option using the revised method put forth by DOER and agreed upon by Eversource.

Regarding Cambridge's request for the Companies to work with Cambridge, and other interested parties, to develop a modified Rate S-2 tariff that reflects reduced billed usage caused by street lighting controls, Eversource stated that it does not oppose the formation of a working group to resolve issues related to measuring street light usage data (Cambridge Brief at 6; Cambridge Reply Brief at 1-2; Companies Reply Brief at 48). Accordingly, the Department directs Eversource to provide the Department, within 120 days of this Order, a report detailing the Companies' efforts to establish a working group with interested parties, and the groups' progress on reaching a solution to measuring street light usage data.

5. Standby Rate Tariffs (Rate SB-G2, Rate SB-G3, Rate SB-T2)

a. Introduction

In 2004, the Department approved the basic provisions of NSTAR Electric's current standby rate tariffs as a result of a settlement. NSTAR Electric Company, D.T.E. 03-121 (2004). In 2013, the Department approved modifications to the availability of these standby rate tariffs where existing standby rate customers, to the extent that they are eligible for service under the respective tariffs, could either (a) switch to the general service rate tariff or (b) voluntarily continue service under the standby rate tariffs to the extent that they are eligible. NSTAR Electric Company, D.P.U. 12-87 (3013).

Generally, standby rates are intended to provide a customer with a firm supply of electric power and energy when the customer's generating facility (typically, a distributed generation facility) is not in operation or not operating at full capability. D.T.E. 03-121, at 1 & n.5; Distributed Generation, D.T.E. 02-38, at 4 (2002).

NSTAR Electric currently has three groups of standby rates: Rate SB-G2, Rate SB-G3, and Rate SB-T2. D.P.U. 12-87, at 2.¹¹⁴ Of these three groups of standby rates, Boston Edison Company offers service under Rate SB-G3 (M.D.P.U. No. 136E) and Rate SB-T2 (M.D.P.U. No. 138D); Cambridge Electric Light Company offers service under Rate SB-G2 (M.D.P.U. No. 254F) and Rate SB-G3 (M.D.P.U. No. 255F); and

¹¹⁴ Additionally, only Cambridge Electric Light Company has Rate SB-1 (13.8 kV), and it is closed to new customers (M.D.T.E. No. 237H). Standby service on Rate SB-1 is provided to customers with an alternative power source that exceeds 100 kilowatts and that supplies at least 20 percent of the customer's total integrated electrical load (M.D.T.E. No. 237H at 1).

Commonwealth Electric Company offers service under Rate SB-G2 (M.D.P.U. No. 338E) and Rate SB-G3 (M.D.P.U. No. 337E) (see also RR-DPU-51, Att. (a) at 371-376, 377-382, 463-469, 470-476, 519-524, and 525-530). Service under these tariffs is available to customers who qualify for general delivery service under legacy Rate G-2, Rate G-3, or Rate T-2, respectively, and who execute a standby service agreement with NSTAR Electric (M.D.P.U. Nos. 136E at 1; 138D at 1; 254 F at 1; 255F at 1; 337E at 1; 338E at 1; see also RR-DPU-51, Att. (a) at 371, 377, 463, 470, 519, and 525). More specifically, NSTAR Electric's standby rates are applicable to distributed generation customers with on-site facilities and with a nameplate capacity of either 1,000 kW or greater; or 250 kW or greater, if that facility will provide at least 30 percent of the customer's maximum internal electric load (M.D.P.U. Nos. 136E at 1; 138D at 1; 254 F at 1; 255F at 1; 337E at 1; 338E at 1; see also RR-DPU-51, Att. (a) at 371, 377, 463, 470, 519, and 525). No customers currently take service on Boston Edison Company's Rate SB-T2, Cambridge Electric Light Company's Rate SB-G2, and Commonwealth Electric Company's Rate SB-G2 and Rate SB-G3 (Exhs. DPU-15-1, Att. (a) at 3; DPU-59-33; DPU-59-34; DPU-59-35).

In this proceeding, the Companies proposed to transfer their standby rate customers to aligned Rate G-4 for effect January 1, 2019 (RR-DPU-50, Att. (e) at Exh. ES-RDP-2 (ALT1), Sch. RDP-2 (East)). In Section IV.D.5.c.ii above, the Department declined to approve Eversource's proposal to align and consolidate C&I rate classes at this time. Accordingly, in this section, the Department considers the existing legacy standby rate tariffs,

to which the Companies propose no substantive changes (Exh. ES-RDP-14, (Part 1) at 32-46, 93-107, 140-153).

b. Positions of the Parties

i. TEC

TEC states that standby rates currently reflect a significant discount to standard rates, fostering the Department's and other policymakers' goal of promoting cogeneration (TEC Brief at 16, citing Tr. 17, at 3427). TEC notes that pursuant to the settlement agreement in D.P.U. 05-85, standby rates have been frozen, and, as a result, the gap between standby rates and corresponding standard distribution rates has continually widened (TEC Brief at 17, citing Tr. 17, at 3425). TEC asserts that any standby rate customers migrating to the Companies' proposed distribution rates would experience rate shock (TEC Brief at 17, citing Tr. 17, at 3429).

ii. Companies

The Companies maintain that standby rates, such as Rate SB-G3 and Rate SB-G2, are not based on a separate cost allocation (Companies Reply Brief at 41). According to Eversource, these rates are offshoots of the other applicable rate classes (i.e., Rate G-3 and Rate G-2) (Companies Reply Brief at 41).

c. Analysis and Findings

In D.P.U. 10-170-B, the Department approved a settlement agreement among:

(1) NSTAR Electric and NSTAR Gas Company, along with their parent holding company, NSTAR; (2) WMECo, along with its parent holding company Northeast Utilities; and

(3) DOER (“DOER Settlement”). Article 2.7 of the DOER Settlement required NSTAR Electric to petition the Department to open a docket to review its standby rate tariffs with the goal of phasing out Rate SB-G2, Rate SB-G3, and Rate SB-T2 on a revenue neutral basis. DOER Settlement at Art. 2.7; D.P.U. 10-170-B at 91.¹¹⁵ The DOER Settlement did not address Rate SB-1. In D.P.U. 12-87, the Department determined that NSTAR Electric’s proposed standby rate tariffs required no further investigation at that time and that NSTAR Electric’s filing complied with Article 2.7. D.P.U. 12-87, at 11-12. Moreover, regarding the possible phase out of the standby rates, the Department determined that nothing in Article 2.7 prevented the standby rate tariffs from remaining open to customers until the Companies’ next base rate case. D.P.U. 12-87, at 11-12. During this time, Rate SB-G2, Rate SB-G3, and Rate SB-T2 remained open to NSTAR Electric’s customers that were eligible for standby rates were allowed to take service under a rate tariff that is more advantageous to them. D.P.U. 12-87, at 12.

Given the Department’s findings on the Companies’ C&I rate design in Section IV.D.5.c.ii above to retain legacy rate classes for C&I customers in the immediate future, the Department must consider the appropriateness of retaining standby rate tariffs in light of our

¹¹⁵ Specifically, Article 2.7, in pertinent part, provides as follows:

Phase-out of Stand-by Rate Tariffs: The Settling Parties agree that, no later than six months from the date of the merger closing, NSTAR Electric shall petition the Department to open a docket to ... review NSTAR Electric’s stand-by rate tariffs with the goal of phasing out SB-G2 and SB-G3 tariffs on a revenue neutral basis as determined by the Department...

prior directives in D.P.U. 12-87. The Department has reviewed the proposed standby tariffs (RR-DPU-51, Att. (a) at 371-382, 436-440, 463-476, 519-530). No customers currently take service on Boston Edison Rate SB-T2, Cambridge Electric Light Rate SB-G2, and Commonwealth Electric Rate SB-G2 or Rate SB-G3 (Exhs. DPU-15-1, Att. (a) at 3; DPU-59-33; DPU-59-34; DPU-59-35).¹¹⁶ Accordingly, the Department directs Eversource to cancel, effective February 1, 2018, M.D.P.U. No. 138D (Boston Edison Company Rate SB-T2), M.D.P.U. No. 254F (Cambridge Electric Light Company Rate SB-G2), M.D.P.U. No. 338E (Commonwealth Electric Company Rate SB-G2), and M.D.P.U. No. 337E (Commonwealth Electric Company Rate SB-G3).

Moreover, there is one customer taking service on Boston Edison Company Rate SB-G3, and there are two customers taking service on Cambridge Electric Light Company Rate SB-G3 (Exh. DPU-15-1, Att. (a) at 3). Since at least 2012, customers taking service on Boston Edison Company and Cambridge Electric Light Company Rate SB-G3 have been aware that the standby rate tariff would eventually phase out and no longer would be available as an option to take service. D.P.U. 10-170-B at 91. Further, in testimony filed in docket D.P.U. 12-87, dated October 10, 2012, the Companies stated that they would propose to cancel Rate SB-G2, Rate SB-T2, and Rate SB-G3 tariffs in the context of their next base rate proceeding. D.P.U. 12-87, Exh. NSTAR-RDC at 8. Accordingly, there has been regulatory certainty regarding the eventual elimination of standby rates.

¹¹⁶ The Companies have not provided service to any customers on Commonwealth Electric Rate SB-G3 since 2013 (Exh. DPU-15-1, Att. (c) at 3).

The first availability provision for customers taking service on Rate SB-G3 is that the customer qualifies for service on Boston Edison Company or Cambridge Electric Light Company Rate G-3, based upon their internal electric load requirements, but instead chooses to take service under the standby rate tariff, rather than the applicable legacy Rate G-3. (RR-DPU-51, Att. (a) at 371, 470). Accordingly, the Department directs the Companies to close Boston Edison Company and Cambridge Electric Light Company Rate SB-G3 to new customers effective February 1, 2018 (RR-DPU-51, Att. (a) at 371-376, 470-476; proposed M.D.P.U. No. 136F; proposed M.D.P.U. No. 255G). Moreover, in order to allow for a reasonable transition for customers, the Department finds that it is appropriate to cancel these tariffs as of January 1, 2019. We direct the Companies to transfer any customers taking service at that time on Boston Edison Company Rate SB-G3 or Cambridge Electric Light Company Rate SB-G3 to the otherwise applicable Boston Edison Company or Cambridge Electric Light Company Rate G-3. See D.P.U. 10-70, at 356-357.

6. Conclusion

The Department directs Eversource to comply with the above directives regarding rate design for its residential, C&I, and street lighting rate classes in its compliance filing. Further, the Department allows the Companies' proposed Rate SB-1, Rate MS-1, and Rate SS-1 for effect February 1, 2018 (RR-DPU-51, Att. (a) at 436-450).

Additionally, the Companies proposed to eliminate WMECo's transitory demand rider, M.D.T.E. No. 1019B (Exh. ES-RDP-9, at 36). No party opposed the Companies'

proposed elimination of WMECo's transitory demand rider. The Department finds it reasonable to eliminate WMECo's transitory demand rider, M.D.T.E. No. 1019B.

Eversource is directed to file revised tariffs with its compliance filing consistent with the directives above.

L. Schedule 10 – Allocation to Rate Classes - For illustrative purposes only

RATE CLASS	PRO FORMA BASE		RECONCILING RATE ADJUSTMENTS	PROPOSED		PROPOSED REVENUE						PROPOSED REVENUE		INCREASE AFTER	
	DISTRIBUTION	PRO FORMA TOTAL		ALLOCATION OF		REVENUES		TO BE		BASE RATE REVENUE ALLOCATOR	REVENUE		REVENUE REALLOCATION PER 10% CAP ITERATION 1	REVENUE REALLOCATION PER 10% CAP ITERATION 1	
	REVENUE @	REVENUE @		BASE REVENUE AT	EROR	CREDITED TO BASE	PROPOSED REVENUE	10% REVENUE	REALLOCATED 10%		REALLOCATION PER				
	CURRENT RATES	CURRENT RATES		REVENUE AT EROR	EROR	RATES	INCREASE AT EROR	INCREASE CAP	CAP ITERATION 1		10% CAP ITERATION 1				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)			
Residential (R-1 and R-2)	\$ 390,568,779	\$ 1,469,335,495	\$ 36,465,006	\$ 446,904,549	\$ 436,443,366	\$ 12,953,623	\$ 69,385,970	\$ 146,933,549	\$ -	\$ 436,443,366	\$ 5,829,131	\$ 75,215,101			
Residential (R-3 and R-4)	\$ 43,426,667	\$ 184,609,623	\$ 5,180,954	\$ 63,918,617	\$ 68,438,506	\$ 1,895,466	\$ 28,297,327	\$ 18,460,962	\$ 9,836,365	\$ -	\$ -	\$ 18,460,962			
EMA G1/T1 BOS	\$ 34,243,264	\$ 106,576,755	\$ 642,509	\$ 27,368,628	\$ 27,699,313	\$ 722,026	\$ (6,623,468)	\$ 10,657,676	\$ -	\$ 27,699,313	\$ 369,952	\$ (6,253,516)			
EMA G2/T2 BOS	\$ 267,822,356	\$ 1,133,056,639	\$ 20,012,381	\$ 221,867,215	\$ 224,547,957	\$ 5,853,194	\$ (29,115,212)	\$ 113,305,664	\$ -	\$ 224,547,957	\$ 2,999,059	\$ (26,116,153)			
EMA G3/SBG3/WR BOS	\$ 75,923,008	\$ 478,724,937	\$ 6,945,391	\$ 68,973,796	\$ 69,807,182	\$ 1,819,633	\$ (990,069)	\$ 47,872,494	\$ -	\$ 69,807,182	\$ 932,344	\$ (57,725)			
EMA G0/G1/G6 CAM	\$ 7,867,097	\$ 42,631,245	\$ (234,124)	\$ 9,028,284	\$ 9,137,370	\$ 238,180	\$ 797,968	\$ 4,263,124	\$ -	\$ 9,137,370	\$ 122,039	\$ 920,007			
EMA G2 CAM	\$ 12,612,241	\$ 83,373,541	\$ (674,766)	\$ 16,998,743	\$ 17,204,133	\$ 448,453	\$ 3,468,673	\$ 8,337,354	\$ -	\$ 17,204,133	\$ 229,778	\$ 3,698,451			
EMA G3/SB1/SBG3 CAM	\$ 8,127,064	\$ 84,263,534	\$ 1,895,472	\$ 15,222,519	\$ 15,406,447	\$ 401,593	\$ 8,773,262	\$ 8,426,353	\$ 346,909	\$ -	\$ -	\$ 8,426,353			
EMA G4 CAM	\$ 114,880	\$ 853,165	\$ 8,711	\$ 190,425	\$ 192,726	\$ 5,024	\$ 81,533	\$ 85,316	\$ -	\$ 192,726	\$ 2,574	\$ 84,107			
EMA G5 CAM	\$ 167,418	\$ 1,256,863	\$ (22,456)	\$ 474,867	\$ 480,604	\$ 12,528	\$ 278,203	\$ 125,686	\$ 152,517	\$ -	\$ -	\$ 125,686			
EMA G1/G7 COM	\$ 37,310,195	\$ 189,067,878	\$ (2,238,675)	\$ 48,673,049	\$ 49,261,148	\$ 1,284,069	\$ 8,428,209	\$ 18,906,788	\$ -	\$ 49,261,148	\$ 657,931	\$ 9,086,140			
EMA G2 COM	\$ 10,347,360	\$ 69,382,782	\$ (1,735,019)	\$ 14,736,503	\$ 14,914,559	\$ 388,771	\$ 2,443,409	\$ 6,938,278	\$ -	\$ 14,914,559	\$ 199,199	\$ 2,642,607			
EMA G3 COM	\$ 5,772,597	\$ 55,709,854	\$ (1,768,325)	\$ 9,819,385	\$ 9,938,029	\$ 259,050	\$ 2,138,057	\$ 5,570,985	\$ -	\$ 9,938,029	\$ 132,732	\$ 2,270,789			
EMA G4 COM	\$ 74,673	\$ 403,004	\$ (727)	\$ 121,531	\$ 122,999	\$ 3,206	\$ 44,393	\$ 40,300	\$ 4,093	\$ -	\$ -	\$ 40,300			
EMA G5 COM	\$ 503,812	\$ 2,310,407	\$ 61,161	\$ 1,040,152	\$ 1,052,720	\$ 27,441	\$ 582,628	\$ 231,041	\$ 351,587	\$ -	\$ -	\$ 231,041			
EMA G6 COM	\$ 71,426	\$ 664,046	\$ 6,267	\$ 219,195	\$ 221,843	\$ 5,783	\$ 150,901	\$ 66,405	\$ 84,497	\$ -	\$ -	\$ 66,405			
WMA Optional Water Heating 23	\$ 8,999	\$ 31,972	\$ 90	\$ 21,584	\$ 21,845	\$ 569	\$ 12,366	\$ 3,197	\$ 9,169	\$ -	\$ -	\$ 3,197			
WMA Optional Church 24	\$ 334,298	\$ 1,143,200	\$ 3,257	\$ 696,388	\$ 704,802	\$ 18,372	\$ 355,389	\$ 114,320	\$ 241,069	\$ -	\$ -	\$ 114,320			
WMA G-0/T-0	\$ 24,579,853	\$ 102,068,294	\$ 310,496	\$ 26,311,918	\$ 26,629,835	\$ 694,148	\$ 1,666,330	\$ 10,206,829	\$ -	\$ 26,629,835	\$ 355,668	\$ 2,021,997			
WMA G-2/T-4	\$ 11,001,556	\$ 60,154,422	\$ 7,923	\$ 13,342,205	\$ 13,503,414	\$ 351,988	\$ 2,157,794	\$ 6,015,442	\$ -	\$ 13,503,414	\$ 180,351	\$ 2,338,145			
WMA T-2	\$ 14,188,285	\$ 100,725,237	\$ 502,692	\$ 19,329,456	\$ 19,563,007	\$ 509,940	\$ 5,367,474	\$ 10,072,524	\$ -	\$ 19,563,007	\$ 261,283	\$ 5,628,757			
WMA T-5	\$ 4,730,539	\$ 54,838,886	\$ 90,793	\$ 7,086,027	\$ 7,171,645	\$ 186,940	\$ 2,344,959	\$ 5,483,889	\$ -	\$ 7,171,645	\$ 95,784	\$ 2,440,743			
Street Lighting S-1/S-2 EMA	\$ 6,074,172	\$ 19,115,438	\$ 133,356	\$ 7,776,548	\$ 8,119,068	\$ 150,935	\$ 2,027,317	\$ 1,911,544	\$ 115,773	\$ -	\$ -	\$ 1,911,544			
Street Lighting S-1/S-2 WMA	\$ 4,686,497	\$ 8,262,484	\$ (117,294)	\$ 7,410,901	\$ 6,949,964	\$ 94,078	\$ 2,052,095	\$ 826,248	\$ 1,225,846	\$ -	\$ -	\$ 826,248			
Total Company	\$ 960,557,041	\$ 4,248,559,700	\$ 65,475,075	\$ 1,027,532,485	\$ 1,027,532,485	\$ 28,325,010	\$ 104,125,509	\$ 424,855,970	\$ 12,367,826	\$ 926,013,685	\$ 12,367,826	\$ 104,125,509			
RATE CLASS	PROPOSED REVENUE INCREASE AFTER		PROPOSED REVENUE INCREASE AFTER		PROPOSED REVENUE INCREASE AFTER		PROPOSED REVENUE INCREASE AFTER		PROPOSED BASE REVENUE REQUIREMENT	PROPOSED DISTRIBUTION PERCENT INCREASE					
	PROPOSED BASE REVENUES OVER 200% CAP ITERATION	BASE RATE REVENUE ALLOCATOR	PROPOSED REVENUE ALLOCATION PER 200% CAP ITERATION	REVENUE ALLOCATION PER 200% CAP ITERATION	PROPOSED BASE REVENUES OVER 200% CAP ITERATION	BASE RATE REVENUE ALLOCATOR	PROPOSED REVENUE ALLOCATION PER 200% CAP ITERATION	REVENUE ALLOCATION PER 200% CAP ITERATION							
	1	(M)	(O)	(P)	2	(R)	(S)	(T)							
Residential (R-1 and R-2)	\$ 7,319,056	\$ -	\$ -	\$ 67,896,045	\$ -	\$ -	\$ -	\$ 67,896,045	\$ 31,431,039	8.05%					
Residential (R-3 and R-4)	\$ 9,785,245	\$ -	\$ -	\$ 8,675,717	\$ -	\$ -	\$ -	\$ 8,675,717	\$ 3,494,763	8.05%					
EMA G1/T1 BOS	\$ -	\$ 27,699,313	\$ 4,135,817	\$ (2,117,700)	\$ -	\$ 27,699,313	\$ 319,053	\$ (1,798,646)	\$ (2,441,156)	-7.13%					
EMA G2/T2 BOS	\$ -	\$ 224,547,957	\$ 33,527,516	\$ 7,411,363	\$ -	\$ 224,547,957	\$ 2,586,445	\$ 9,997,808	\$ (10,014,573)	-3.74%					
EMA G3/SBG3/WR BOS	\$ -	\$ 69,807,182	\$ 10,422,991	\$ 10,365,266	\$ -	\$ 69,807,182	\$ 804,071	\$ 11,169,337	\$ 4,223,945	5.56%					
EMA G0/G1/G6 CAM	\$ 521,026	\$ -	\$ -	\$ 398,981	\$ -	\$ -	\$ -	\$ 398,981	\$ 633,105	8.50%					
EMA G2 CAM	\$ 3,358,246	\$ -	\$ -	\$ 340,205	\$ -	\$ -	\$ -	\$ 340,205	\$ 1,014,971	8.05%					
EMA G3/SB1/SBG3 CAM	\$ 5,876,855	\$ -	\$ -	\$ 2,549,498	\$ -	\$ -	\$ -	\$ 2,549,498	\$ 654,026	8.05%					
EMA G4 CAM	\$ 66,151	\$ -	\$ -	\$ 17,956	\$ -	\$ -	\$ -	\$ 17,956	\$ 9,245	8.05%					
EMA G5 CAM	\$ 134,669	\$ -	\$ -	\$ (8,983)	\$ -	\$ -	\$ -	\$ (8,983)	\$ 13,473	8.05%					
EMA G1/G7 COM	\$ 8,322,276	\$ -	\$ -	\$ 763,864	\$ -	\$ -	\$ -	\$ 763,864	\$ 3,002,539	8.05%					
EMA G2 COM	\$ 3,544,922	\$ -	\$ -	\$ (902,315)	\$ -	\$ -	\$ -	\$ (902,315)	\$ 832,704	8.05%					
EMA G3 COM	\$ 3,574,564	\$ -	\$ -	\$ (1,303,775)	\$ -	\$ -	\$ -	\$ (1,303,775)	\$ 464,550	8.05%					
EMA G4 COM	\$ 35,018	\$ -	\$ -	\$ 5,283	\$ -	\$ -	\$ -	\$ 5,283	\$ 6,009	8.05%					
EMA G5 COM	\$ 129,336	\$ -	\$ -	\$ 101,705	\$ -	\$ -	\$ -	\$ 101,705	\$ 40,544	8.05%					
EMA G6 COM	\$ 54,390	\$ -	\$ -	\$ 12,015	\$ -	\$ -	\$ -	\$ 12,015	\$ 5,748	8.05%					
WMA Optional Water Heating 23	\$ 2,383	\$ -	\$ -	\$ 814	\$ -	\$ -	\$ -	\$ 814	\$ 724	8.05%					
WMA Optional Church 24	\$ 84,161	\$ -	\$ -	\$ 30,159	\$ -	\$ -	\$ -	\$ 30,159	\$ 26,903	8.05%					
WMA G-0/T-0	\$ -	\$ 26,629,835	\$ 3,976,132	\$ 5,998,129	\$ 3,709,568	\$ -	\$ -	\$ 5,998,129	\$ 1,978,065	8.05%					
WMA G-2/T-4	\$ 1,444,871	\$ -	\$ -	\$ 893,274	\$ -	\$ -	\$ -	\$ 893,274	\$ 885,351	8.05%					
WMA T-2	\$ 3,984,262	\$ -	\$ -	\$ 1,644,495	\$ -	\$ -	\$ -	\$ 1,644,495	\$ 1,141,803	8.05%					
WMA T-5	\$ 1,969,260	\$ -	\$ -	\$ 471,484	\$ -	\$ -	\$ -	\$ 471,484	\$ 380,690	8.05%					
Street Lighting S-1/S-2 EMA	\$ 1,289,368	\$ -	\$ -	\$ 622,176	\$ -	\$ -	\$ -	\$ 622,176	\$ 488,819	8.05%					
Street Lighting S-1/S-2 WMA	\$ 566,396	\$ -	\$ -	\$ 259,852	\$ -	\$ -	\$ -	\$ 259,852	\$ 377,146	8.05%					
Total Company	\$ 52,062,455	\$ 348,684,287	\$ 52,062,455	\$ 104,125,509	\$ 3,709,568	\$ 322,054,452	\$ 3,709,568	\$ 104,125,509	\$ 38,650,434	4.02%					

Numbers may not add due to rounding, and minor discrepancies between these numbers and those in the text are due to rounding.

Notes:

- (A) RR-DPU-50(e), Exhibit ES-RDP-2 (ALT1), Schedule RDP-2 (East), Page 4, Col. (a) and RR-DPU-50(e), Exhibit ES-RDP-2 (ALT1), Schedule RDP-2 (West), Page 4, Col. (a)
- (B) sum of current revenue from RR-DPU-50(k) at Exhibit ES-RDP-8 (ALT1), Workpaper RDP-9 (East) and Exhibit ES-RDP-8 (ALT1), Workpaper RDP-9 (West) with modified calculation for Basic Service revenue
- (C) Change in revenue for reconciling rates
- (D) RR-DPU-49(B), Page 2, Line 10 + RR-DPU-49(C), Page 2, Line 10 + RR-DPU-49(D), Page 2, Line 10 and RR-DPU-49(E), Page 2, Line 10
- (E) For residential and SL: RR-DPU-49(J), Page 3-4, Line 10
For C&I: $\text{Col. (D)} / (\text{Col. (D) (Total)} - (\text{Col. (D) residential} + \text{Col. (D) SL})) \times (\text{Col. (D) (Total)} - (\text{Col. (E) residential} + \text{Col. (E) SL}))$
- (F) For residential and SL: RR-DPU-49(J), Page 3-4, Line 14
For C&I: $\text{Col. (D)} / (\text{Col. (D) (Total)} - (\text{Col. (D) residential} + \text{Col. (D) SL})) \times \text{RR-DPU-49(J), Page 3-4, Line 14 (Total)} - (\text{Col. (F) residential} + \text{Col. (F) SL})$
- (G) $\text{Col. (E)} - \text{Col. (A)} - \text{Col. (F)} + \text{Col. (C)}$
- (H) $10\% \times \text{Col. (B)}$
- (I) If $\text{Col. (H)} < \text{Col. (G)}$, then $\text{Col. (G)} - \text{Col. (H)}$, otherwise zero
- (J) If Col. (I) is greater than zero, then zero, otherwise Col. (E)
- (K) If Col. (J) equals zero, then zero, otherwise $(\text{Col. (J)} / \text{Col. (J) (Total)}) \times (\text{Col. (I) (Total)})$
- (L) If Col. (I) equals zero, then $\text{Col. (G)} + \text{Col. (K)}$, otherwise Col. (H)
- (M) If $((\text{Col. (L)} - \text{Col. (C)}) / \text{Col. (A)})$ is greater than the base rate cap increase, then $(\text{Col. (L)} - \text{Col. (C)} - (\text{Col. (A)} \times \text{base rate cap increase}))$, otherwise zero
- (N) If Col. (M) is greater than zero, then zero, otherwise Col. (J)
- (O) $\text{Col. (M) (Total)} \times (\text{Col. (N)} / \text{Col. N (Total)})$
- (P) $\text{Col. (L)} - \text{Col. (M)} + \text{Col. (O)}$
- (Q) If $((\text{Col. (P)} - \text{Col. (C)}) / \text{Col. (A)})$ is greater than the base rate cap increase, then $(\text{Col. (P)} - \text{Col. (C)} - (\text{Col. (A)} \times \text{base rate cap increase}))$, otherwise zero
- (R) If Col. (Q) is greater than zero, then zero, otherwise Col. (N)
- (S) $\text{Col. (Q) (Total)} \times (\text{Col. (R)} / \text{Col. R (Total)})$
- (T) $\text{Col. (P)} - \text{Col. (Q)} + \text{Col. (S)}$
- (U) $\text{Col. (T)} - \text{Col. (C)}$
- (V) $\text{Col. (A)} + \text{Col. (U)}$
- (W) $\text{Col. (U)} / \text{Col. (A)}$

V. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That NSTAR Electric Company and Western Massachusetts Electric Company shall file all rates and charges required by NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05 (November 30, 2017) and shall design all rates in compliance with the directives set forth herein; and it is

FURTHER ORDERED: That the new rates shall apply to electricity consumed on or after February 1, 2018, but unless otherwise ordered by the Department, shall not become effective earlier than seven days after the rates are filed with supporting data demonstrating that such rates comply with NSTAR Electric Company and Western Massachusetts Electric Company, D.P.U. 17-05 (November 30, 2017) and the directives set forth herein; and it is

FURTHER ORDERED: That NSTAR Electric Company and Western Massachusetts Electric Company shall comply with all other orders and directives contained in this Order.

By Order of the Department,

/s/

Angela M. O'Connor, Chairman

/s/

Robert E. Hayden, Commissioner

/s/

Cecile M. Fraser, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.

For more information contact:
Suzanne Gebelein (800) 251-2352
Info@tgarb.com

Discounted Rain Barrels Offered to Natick Residents

Town Promotes Rain Barrels to Conserve Water

April 2, 2018, Natick, MA – The Town of Natick, MA is partnering with the Great American Rain Barrel Company to offer discounted rain barrels to residents as part of a water conservation and sustainability program.

Rain barrels available through the program can hold 60 gallons of water at a time, are chlorine free, UV-protected, and include a mosquito net to prevent infestation. They are offered in three colors; Forest Green, Earth Brown or Nantucket Gray at the cost of \$69. This is a 45% savings from the retail price of \$119.

“It’s that time of year again – the time to think about water conservation,” said Jillian Wilson-Martin, Sustainability Coordinator for the Town of Natick. “Regular use of a rain barrel can pay for itself in one season and we are excited to offer discounted systems to residents again this year.”

In the Eastern region of Massachusetts, there is typically 16” of rain from May 1 – September 30, and residents who use a rain barrel have the ability to collect as much as 1,500 gallons in a season. For every inch of rainfall, a 1,000 square foot surface can collect 620 gallons of water – a significant source of water that homeowners could use for their lawns and gardens for free.

Residents who are interested in purchasing the rain barrels must preorder them by May 5, 2018 at 5:00pm. The barrels will then be distributed on the Town Common during the Farmer’s Market from 9:00am to 12:00pm on Saturday, May 12, 2017. Participating residents will be responsible for picking up their rain barrel on the distribution day and for installing the systems at their home. Installation instructions are available online at: <https://www.greatamericanrainbarrel.com/installation-care-and-tips/>

To take advantage of this offer please visit www.greatamericanrainbarrel.com, select Community Programs and choose Natick, MA or contact the company via email info@tgarb.com, or phone (800) 251-2352. Order forms are also available at the Natick DPW for residents who wish to preorder by mail.

About The Great American Rain Barrel Company

Natick is working with the Great American Rain Barrel Co., a local food importing company that has been repurposing food-grade shipping drums into rain barrels since 1988. Last year 30% of Massachusetts Cities and Towns partnered with The Great American Rain Barrel Co, selling more than 3,000 barrels. The Great American Rain Barrel Co has been an approved vendor by the Massachusetts Department of Environmental Protection (MassDEP) since 2010.

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ITEM TITLE: Affordable Housing Trust and Community Development Advisory Committee

ITEM SUMMARY: a. Amend charges to AHTF and CDAC
b. Appoint Patti Sciarra as the Planning Board Designee to the AHTF (term expiring 6/30/2020) and CDAD (term expiring 6/30/2021)

ATTACHMENTS:

Description	Upload Date	Type
Memo from Andy Meyers	3/29/2018	Cover Memo
Email from Donna Donovan	3/29/2018	Cover Memo
AHTF Charge	3/29/2018	Cover Memo
CDAC Charge	3/29/2018	Cover Memo
Patti Sciarra Application	3/30/2018	Cover Memo



**TOWN OF NATICK
PLANNING BOARD**
13 EAST CENTRAL STREET
NATICK, MASSACHUSETTS
01760

MEMORANDUM

TO: Jonathan Freedman, Chair, Natick Board of Selectmen

FROM: Andrew Meyer, Chair

CC: Jamie Errickson, Director CED

DATE: November 28, 2017

RE: **Planning Board's Appointment to Natick Affordable Housing Trust Fund (AHTF) and Community Development Advisory Committee (CDAC)**

At the November 1, 2017 meeting of the Natick Planning Board (PB), the Board voted Ms. Patricia Sciarra to serve as the Board's designee to the Natick Affordable Housing Trust Fund (AHTF) and the Community Development Advisory Committee (CDAC).

In the Spring of 2017, the PB designee to these committees stepped down from their position, and the appointments have remained open. Currently, no members of the PB are able to fill this position. This fall, Ms. Sciarra came to our attention as an interested person to fill these appointments and the PB excitedly asked her to represent the PB given her qualifications and background.

However, upon further review of the charges for the AHTF and CDAC, it's come to our attention that the originating language for the AHTF calls for a PB member to be the appointee to the body, with no provision for allowing a designee of the PB to be appointed. As such, the PB seeks to formally request that the Board of Selectmen (BOS) consider altering the language of the original charge of the AHTF so that the words 'or designee' are added after the words 'Member of the Planning Board.'

In allowing a designee to represent the PB on the AHTF and CDAC, the PB will be in the position to have a person on those committees right away, with the expectation that she will communicate updates to our board regularly and work tirelessly on these important town committees.

Please let me know if you have any questions or if you would like me to come before the BOS to discuss this further.



Donna Donovan <ddonovan@natickma.org>

AFHT

1 message

Donna Donovan <ddonovan@natickma.org>

Wed, Mar 28, 2018 at 11:13 AM

To: Jonathan Freedman <jfreedman@natickma.org>, Amy Mistrot <amistrot@natickma.org>

Hi Amy and Jon,

I did some research and found that 2007 Annual Town Meeting voted to accept Chapter 44, Section 55C of the MGL authorizing the Town to establish a Municipal Affordable Housing Trust Fund. Town Meeting members also voted to authorize the Board of Selectmen to appoint a Board of Trustees to include no less than 5 trustees, with at least 1 trustee being a member of the Board of Selectmen. The statute does not otherwise specify the composition of the Board.

On January 14, 2008 the Board of Selectmen finalized the criteria for being appointed to the Board of Trustees. They voted to establish a 9 member Board with the following composition:

- One member from the Board of Selectmen (required by MGL Chapter 44, Section 55C)
- One member from the Planning Board
- A citizen of Natick actively engaged at a senior level in the banking industry or a senior representative of a bank located in Natick (if the latter, the individual would not be required to live in Natick). This individual should have experience in the funding of affordable housing.
- A citizen of Natick representing the real estate industry, with experience in the affordable housing market
- A citizen of Natick representing the construction industry, with experience in the development/construction of affordable housing
- A citizen of Natick who is an attorney, with experience in legal issues related to affordable housing
- Up to three (3) citizens of Natick at large, with strong interest in the creation and preservation of affordable housing.

I interpret this that you can add another member or allow the Planning Board to designate someone (you may recall, they requested this last Fall). Will this suffice for consent agenda, along with documentation identifying the MGL and committee charge? I am happy to provide a memo unless you would still like something from Randy Johnson.

Thanks.

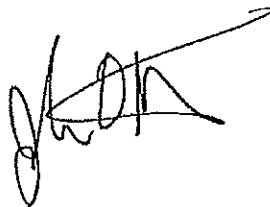
Donna Donovan
Senior Executive Assistant
Town of Natick
[508-647-6410](tel:508-647-6410)

NOTICE OF VACANCY
TOWN OF NATICK
NATICK AFFORDABLE HOUSING TRUST FUND
BOARD OF TRUSTEES

The 2007 Fall Annual Town Meeting voted to accept Massachusetts General Laws Chapter 44, Section 55C which establishes an Affordable Housing Trust Fund for the Town of Natick. The purpose of the Affordable Housing Trust Fund is to provide for the creation and preservation of affordable housing for the benefit of low and moderate income households. The Board of Selectmen is now authorized to appoint members to the Board of Trustees of this Trust Fund and has voted to establish a nine member Board of Trustees comprised of the following members:

- ✓• One member of the Board of Selectmen
- ✓• One member of the Planning Board
- ✓• A citizen in Natick actively engaged at a senior level in the banking industry or a senior representative of a bank located in Natick (if the latter, the individual would not be required to live in Natick). This individual should have experience in the affordable housing market.
- ✓• A citizen of Natick representing the real estate industry, with experience in the affordable housing market
- ✓• A citizen of Natick representing the construction industry, with experience in the development/construction of affordable housing
- ✓• A citizen of Natick who is an attorney, with experience in legal issues related to affordable housing
- Three (3) citizens of Natick at large, with strong interest in the creation and preservation of affordable housing.

It is the Board of Selectmen's intent to make appointments to the committee at their meeting of February 25, 2008. Anyone interested in serving in this capacity is asked send a letter of interest to the Board of Selectmen, 13 East Central Street, Natick, MA 01760 (fax 508 647-6401) no later than Thursday, February 21, 2008.



January 24, 2008

Joshua Ostroff, Clerk

October 19, 2006

NOTICE OF VACANCY
TOWN OF NATICK
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

The Department of Housing & Community Development has approved the Town of Natick's housing plan. The plan provides an inventory of existing housing stock, local housing needs, and identifies goals and strategies to address those needs with particular emphasis on affordable housing. One of the provisions of the plan is to appoint a Community Development Advisory Committee for the purpose of guiding the implementation of the Housing Plan and the Consolidated Plan, reviewing the development of housing and community programs, and providing input and guidance for any future proposed plans. The composition of the committee shall consist of:

- One member of the Board of Selectmen
- One member of the Planning Board
- A citizen in Natick actively engaged in the banking industry or a representative of a bank located in Natick
- A citizen representing low and moderate income neighborhood
- A citizen in the real estate business/residential home building business
- One Citizen-at-large
- A youth representative

The Board of Selectmen would like to make appointments to the committee at their meeting of November 13, 2006 and would ask that anyone interested in serving in this capacity send a letter of interest to the Board of Selectmen, 13 East Central Street, Natick, MA 01760 no later than Thursday, November 9, 2006.



Carol A. Gloff, Clerk

Profile

Patricia

First Name

Sciarra

Last Name

pmgs430@gmail.com

Email Address

1 Steven Circle

Street Address

Suite or Apt

NATICK

City

MA

State

01760

Postal Code

What district do you live in? *☒ Precinct 7

Home: (508) 650-0946

Primary Phone

Mobile: (774) 279-0440

Alternate Phone

self employed

Employer

Certified Public Accountant

Job Title

Which Boards would you like to apply for?

Community Development Advisory Committee: Submitted

Affordable Housing Trust Fund Board: Not Submitted

Are you a registered voter in the Town of Natick?☒ Yes ☐ No

Have you ever attended a Natick town meeting?☒ Yes ☐ No

Have you ever served on a board, committee, or commission in the Town of Natick?☒ Yes ☐ No

If yes, please list name(s) of board, committee or commissions, along with date(s) of service:

Natick Republican Town Committee since 2015

Interests & Experiences

Why are you interested in serving on a board or commission? Are there any changes you would like to see to these boards, committees and/or commissions?

I have always been involved as a volunteer in my kids schools and now that they are in college I have become more involved in town issues. For the past 5 years, my husband and I have been helping a young woman who immigrated to the US and is assimilating into our culture. I have learned a lot about the services we offer, and am especially interested in affordable housing options for people who are on the lower end of the pay scale. Also interested in senior housing options as I will be there sooner than later!

Are you a graduate of the Natick Community Services Citizen's Leadership Academy?

☒ Yes ☐ No

Please list any skills or specialized knowledge you can bring to these boards, committees and/or commissions.

I am a certified public accountant so have skills in finance, budgeting, tax and bookkeeping.

Please list any professional affiliations.

AICPA (American Institute of Certified Public Accountants Natick Republican Town Committee - vice chair

Let us know what other specialized interests or hobbies you might have.

So many interests, so little time! I love history and genealogy, gardening (although I can't keep anything alive), cooking, reading, knitting, drinking coffee with friends etc. I love meeting new people and learning about new things.

[Sciarra_Patricia_Resume.doc](#)

Upload a Resume

PATRICIA SCIARRA

1 Steven Circle
Natick, MA 01760

(508)650-0946
psciarra@verizon.net

EDUCATION

BENTLEY UNIVERSITY, Waltham, MA
Bachelor of Science in Accountancy
Masters of Science in Taxation

Graduated October, 1983
Graduated November, 1990

WORK EXPERIENCE

Self-Employed **March 1990 - present**
Certified Public Accountant - Accounting practice specializing in
bookkeeping and tax services for individuals and small businesses.

Price Waterhouse **June 1985- February 1990**
Tax Manager – oversaw tax preparation for multistate business entities,
foreign nationals and highly compensated individuals.
Senior Auditor – specialized in outside audits of banks and mutual funds.

CURRENT VOLUNTEER ACTIVITIES

Vice-President Natick Republican Town Committee
Natick Neighborhood Brigade
A Place to Turn

PAST VOLUNTEER ACTIVITIES

Natick Service Council - Holiday sponsorships
Catholic Memorial High School (2010-2011)
Marian High School Parents Association (2012-2015)
St. Paul Parents Teacher Association (2001-2009)
Adoption Community of New England, Treasurer (1998-2002)

OTHER

Town of Natick Citizen Leadership Academy – Graduate – November 2016

ITEM TITLE: Camp Arrowhead (This topic will be discussed prior to topic #3 [award of contract] near the beginning of the meeting)

ITEM SUMMARY: a. Residential Program Update
b. Construction Update

ATTACHMENTS:

Description	Upload Date	Type
Residential Program Update-K. Partanen	3/30/2018	Cover Memo
Rec & Parks Commission Recommendations-Camp Arrowhead	4/2/2018	Cover Memo

MEMO

TO: Bill Chenard
FROM: Karen Partanen
RE: Arrowhead Residential Camp Status Update
DATE: 29 March, 2018

As you are aware, a number of concerns have been raised regarding the operation of Camp Arrowhead's week long residential program; concerns which resulted in legal Counsel's recommendation that the Town cease its operation.

In an effort to preserve this program offering while concurrently mitigating risk for campers, volunteers and staff we continue to both gather information and redesign this offering. While it remains unclear if all of the following enhancements can be achieved in time for the 2018 summer season they are essential to the safe operation of the activity.

Administrative/Operational

- Comprehensive Standards of Operations for Residential Camp developed and administrative structure established to ensure they are adhered to.
- Length of camp limited to M-F
- Implementation of a minimum age requirement for volunteers (16)

Staff enhancements

- Introduction of a three shift staffing model
- Regular breaks/rest periods
- Increase in the staff/camper ratio to 2:1 at all times
- Elevation in hiring requirements to ensure staff are adequately educated in the field
- Restructuring of the staffing pattern to include both Activity and Administrative Directors.
- Incorporation of fingerprinting as part of our background checks
- Implement a performance based selection process in order to work at Residential Camp

Training

Introduction of comprehensive staff training in Crisis Prevention, Infectious Diseases, First Aid/CPR, Eppipen, Personal Safety, and training on the Residential Operating Procedures

Campers

- A reduction in the number of campers with max capacity of 15
- Imposition of a maximum age of camper (21)

We continue to explore alternative locations in the hope of identifying a local option

Recommendation approved by the Recreation and Parks Commission consideration on March 26, 2018

Based on public feedback at both the March 19th Board of Selectmen meeting, information received from concerned citizens and the stakeholders that attended the March 26th meeting of the Recreation and Parks Commission, the following recommendation was approved by the Recreation and Parks Commission:

1. That consideration should be given to continue the Camp Arrowhead Residential Program contingent upon the following:
 - a. Campers over the age of 21 should be housed in separate cabins from those campers under 21 years of age.
 - b. All volunteers and counselors assigned to the residential program receive comprehensive training in accordance with Massachusetts regulations for residential camps.
 - c. Specific Standard Operating Procedures (SOPs) should be developed in collaboration with the Natick Board of Health for the operations of the residential program at Camp Pride.
 - d. Given the diverse age diversity and levels of disability of campers, an addition of 3 trained counselors should be added to support the staff at Camp Pride.
2. The costs associated with the Camp Arrowhead Residential program should continue to be supported on a fee-basis whereby the total cost of the program is supported by those campers attending the residential program (including the cost for the 3 additional trained counselors being recommended).
3. The Town Administer may also consider appointing a Ad Hoc Task Group to review the development of Standard Operating Procedures and policies for the residential camp. Suggestions for membership of the Task Group include representatives from the following:
 - a. Town Manager*
 - b. Board of Health
 - c. Camp Arrowhead Director
 - d. Recreation and Parks Commission
 - e. PATH Representative
 - f. Director of Recreation and Parks*
 - g. Director of Community Services*
 - h. Special needs counselor or individual with training in the care of special needs populations
 - Or their representative
4. A retrospective review of the Camp Arrowhead residential camp operations in 2018 be conducted by the Recreation and Parks Commission

ITEM TITLE: Process and Timeline for South Main Street Decision at April 17, 2018
Selectmen's Meeting

ITEM SUMMARY:

ITEM TITLE: Charles River Rotary Club-6th Annual Scoopapalooza Ice Cream Festival-6/23/18 (Rain Date: 6/24/18)

ITEM SUMMARY: a. Approve use of Town Common
b. Reserve parking/bag meters on west side of Park Street
c. Approve banner from 6/18-6/24/18

ATTACHMENTS:

Description	Upload Date	Type
Request & Rec & Parks Approval	4/2/2018	Cover Memo
Police Approval with Recommendation	3/29/2018	Cover Memo



Natick Recreation and Parks Department

"Create Community through People, Parks and Programs"



To the Board of Selectmen,

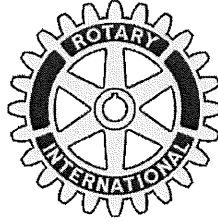
Please be informed that at their **Monday, March 26 2018** meeting the Natick Recreation and Parks Commission voted unanimously in favor of the following request for use of the Common. The Commission is recommending the following to the Board of Selectmen:

- **Charles River Rotary** request to hold their **6th Annual Scoopapalooza** on the Common on **Saturday, June 23, 2018** from **12:30 - 3:00 pm**.

The Commission recommends a **\$125** user fee for electricity.

Please feel free to contact me at the Recreation and Parks Department Office if you have any questions prior to your next meeting concerning this event.

Best Regards,
Linda Pinault



Charles River Rotary Club
PO Box 373, Natick, MA 01760
Serving Framingham, Natick, & Wellesley

March 20, 2018

Jonathan Freedman, Chair
Board of Selectman
Town of Natick

13 East Central Street Natick, MA 01760

Charles River Rotary Club Hank Szretter, Past President

Dear Jonathan,

The Charles River Rotary Club is having its 6th annual ice cream festival known as Scoopapalooza. Our Club has been very fortunate to have had 5 great festivals on Natick Common. The money from this event goes to support Spark Kindness, Natick Food Pantry, scholarships for high school individuals going into the trades and forums raising awareness about the opioid crisis in MetroWest. The Club supports many other non-profit endeavors which I would be glad to provide.

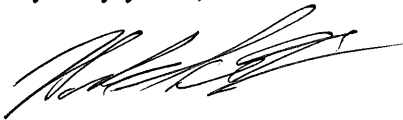
Needless to say this is a very important event for this Club. Therefore, would you please give us permission to do the following:

1. Use the Natick Common on Saturday June 23, 2018 with a rain date of June 24, 2017.
2. Reserve all of the parking on the West side of Pond Street for the day and allow the police department to shield those parking meters from use.
3. Allow the Club to hang its banner on Main Street advertising the event from Monday June 18, 2018 to June 24, 2018.

I understand that the Club will need a victual's license from the Board of Health and that the Town will also need to be named on a general liability policy which I will obtain and submit to you.

Thank you for your past and continued cooperation in these events. It is greatly appreciated. Please contact me at: (508)380-0808 if you have any questions or would like to further discuss this.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Hank Szretter', with a stylized, cursive script.

Hank Szretter

Charles River Rotary

2018 Charles River Rotary Scoopapalooza Chair



Patricia O'Neil <poneil@natickma.org>

Chas River Scoopapalooza - 6/23/18 (Rain Date: 6/24/18)

2 messages

Patricia O'Neil <poneil@natickma.org>
To: Brian Lauzon <lauzon@natickpolice.com>

Tue, Mar 27, 2018 at 3:57 PM

Hi Brian. Please see item #2 of request -- just need your recommendations/approval for that item.
Thanks.

--

Trish O'Neil
Executive Assistant
Town of Natick
13 East Central Street
Natick, MA 01760
P: 508-647-6410
F: 508-647-6401
poneil@natickma.gov
www.natickma.gov



Scoopapalooza Rec & Parks Approval.pdf
300K

Brian Lauzon <lauzon@natickpolice.com>
To: Patricia O'Neil <poneil@natickma.org>

Wed, Mar 28, 2018 at 5:12 PM

Trish,

After review we would recommend approval. However, we would suggest the Board give thought to limiting the time that the meters are bagged and ultimately vehicles prohibited from parking on Park Street given the fact that Everetts Funeral Home, Park Street Ice Cream, the Post Office, and Farmers Market all utilize those spaces and the fact that this event does not begin until later in the afternoon.

Respectfully,

Lt. Brian G. Lauzon
[Quoted text hidden]

ITEM TITLE: Approve Parade Permit: St. Mark's Church First Annual 5K-9/15/18 (Rain Date: 9/22/18)

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Request	3/27/2018	Cover Memo
Route	3/27/2018	Cover Memo
Police Approval with Stipulations	3/27/2018	Cover Memo



Donna Donovan
13 East Central Street
Natick, MA 01760

ddonovan@natickma.org

March 22, 2018

Dear Ms. Donovan,

The St. Mark Church community on Oak Street is currently seeking approval for our first annual 5K for Saturday, September 15, 2018, with rain date, Saturday, September 22, 2018.

We are proposing a timed 5K route, as well as a 2-mile walk, all followed by food for all participants and volunteers. I have attached a copy of our proposed routes for the 5K and 2-mile walk. We understand that this route was previously used by the Crossroads School, but are no longer operating their 5K on this particular route. The race start and finish will take place on Huron Drive in Natick. Participants will park at 11 Huron Drive office lot (currently pending approval). After the race, participants will be shuttled to the church on 145 Oak Street for a Bar-B-Que event at the church parking lot. Participants will then be shuttled back to the office parking lot on Huron drive to get their cars.

Schedule:

7:30 am	Registration/ Bib Pick Up
8:00 am	Prayer & Announcements
8:30 am	Race begins
9:00am – 10:15am	Finish Line Announcements
10:30am	Food service @ the Church
10:30 – 11:15am	5K Cleanup on Huron Drive and along route
11:30pm	Event Complete

We plan to promote the race on social media through participants Facebook pages and printed flyers. We are also seeking sponsors for the race from the Natick business community as well as small business owners from our community. Also, we hope to engage the running community in Natick and the surrounding towns to help promote this event.

Thank you in advance for your time and consideration. St. Marks Church is growing and our space has outgrown our current occupied building spaces and we are currently working on building our Sunday School building. The new building will eliminate the need for our children to cross the street to get to their Sunday School classes. This change will increase public safety and unite our administrative and social gatherings under one roof. The donations collected at this year's event will allow us to get a little closer to our goal of realizing this dream.

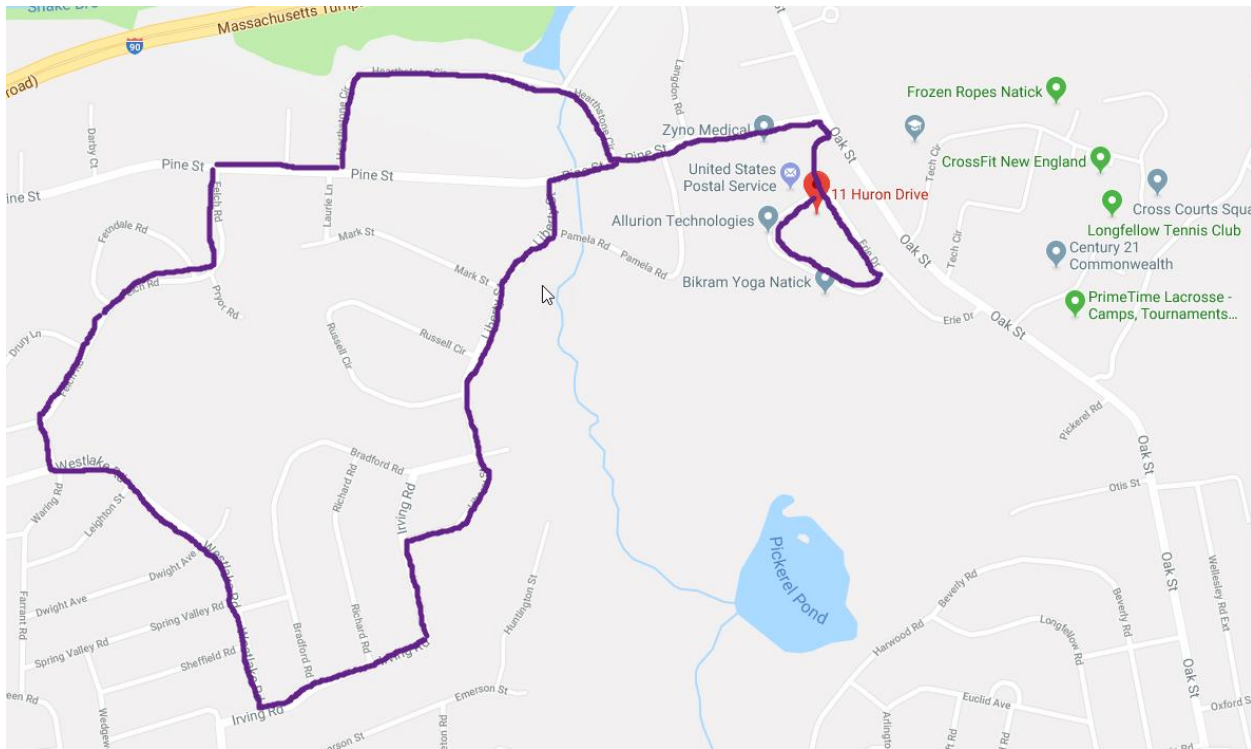
Please advise how we should proceed with getting approval for our race this spring. We will work closely with your office to obtain any materials and information required to help you come to a decision.

Thank you very much for your time and attention. We look forward to working with your office and the town.

Sincerely,

Maria Mina
St Mark 5K Fundraising Committee Member
mmina24@yahoo.com
617.216.4155

5K Running Route



Race begins on Huron Drive.

A left is made onto Erie Drive.

A brief left is made onto Oak Street.

A left is made onto Pine Street.

A right is made on Hearthstone Circle.

A right is made onto Felch Road.

A left is made onto Waring Road.

A left is made onto Westlake Road.

A left is made onto Irving Road.

A right is made onto Liberty Street.

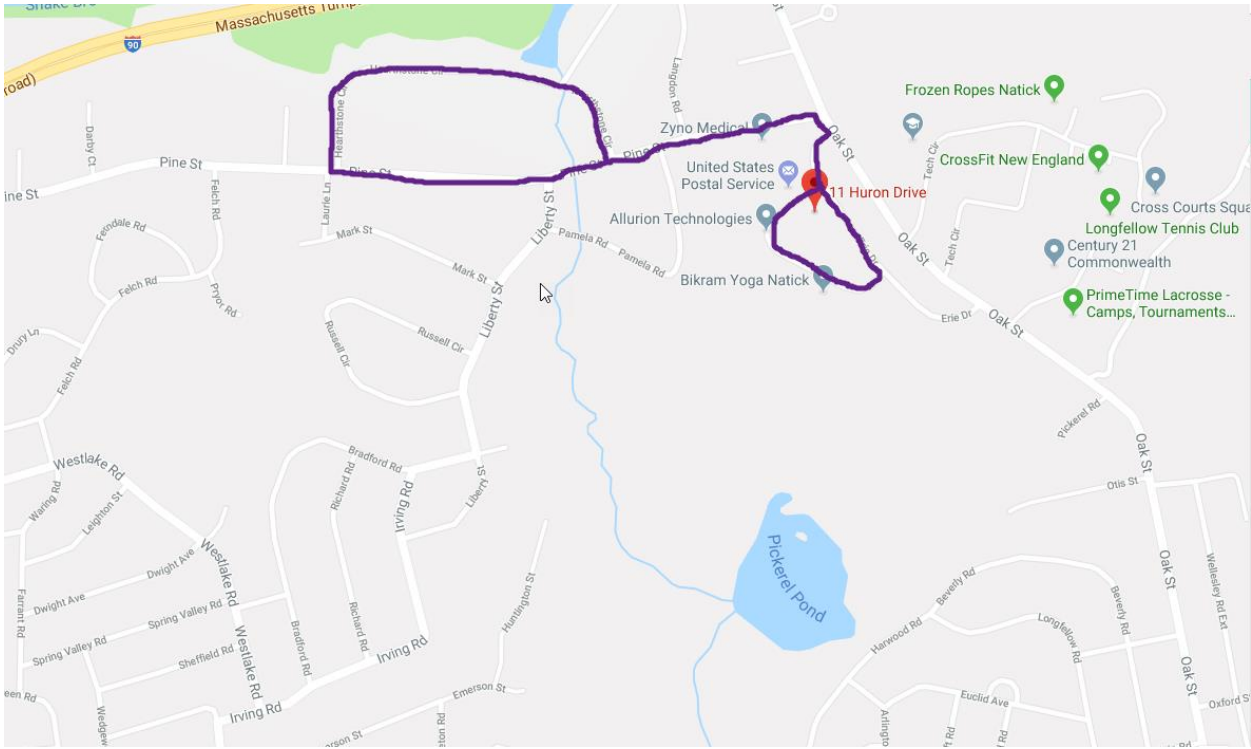
A right is made back onto Pine Street.

A right is made back onto Oak Street.

A right is made back onto Erie Drive.

A right is made back onto Huron Drive to Finish/Start line.

2-Mile Walking Route



Walk begins on Huron Drive.

A left is made onto Erie Drive.

A brief left is made onto Oak Street.

A left is made onto Pine Street.

A right is made on Hearthstone Circle.

A right is made back onto Pine Street.

A right is made back onto Oak Street.

A right is made back onto Erie Drive.

A right is made back onto Huron Drive to Finish/Start line.



Donna Donovan <ddonovan@natickma.org>

Re: Request for Approval: St. Mark 5K Fundraiser - September 15, 2018

1 message

Brian Lauzon <lauzon@natickpolice.com>
To: Donna Donovan <ddonovan@natickma.org>

Thu, Mar 22, 2018 at 9:10 AM

Donna,

Recommend approval with the stipulation that the event organizers continue to coordinate with us regarding the logistics of this race. As part of our conversations with the organizers it is recommended that five police detail officers be requested as part of the permit, which is consistent with another road race in that area that utilized the same route.

Respectfully,

Lt. Brian G. Lauzon

On Thu, Mar 22, 2018 at 8:48 AM, Donna Donovan <ddonovan@natickma.org> wrote:

For your review.

Thank you.

Donna Donovan
Senior Executive Assistant
Town of Natick
[508-647-6410](tel:508-647-6410)

----- Forwarded message -----

From: **Maria Mina** <mmina24@yahoo.com>

Date: Thu, Mar 22, 2018 at 8:31 AM

Subject: Request for Approval: St. Mark 5K Fundraiser - September 15, 2018

To: Donna Donovan <ddonovan@natickma.org>

Cc: Andy Ghobrial <andy_ghobrial@yahoo.com>, "Fr. Mark Cherubim" <markcherubim@gmail.com>, Mary Mikhail <mikhail.mary@gmail.com>, Kiro Boulos <kboulos93@gmail.com>, Mark Mikhaeal <mark6795@gmail.com>, Peter Youssef <pyoussef80@yahoo.com>, Monica Mikael <monica.mikael@umassmed.edu>, Basem Neseim <basem.neseim@gmail.com>

Hello Donna,

Attached is our request for approval for our St. Mark's Spring Road Race.
I look forward to hearing back from you soon.

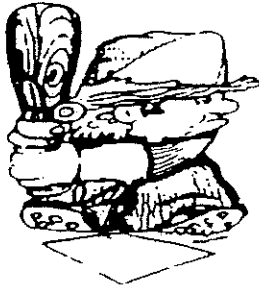
Thank you,
Maria Mina
St. Mark 5K Fundraising Committee Member

ITEM TITLE: Approve Parade Permit: Little League Opening Day-4/28/18

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Request	3/29/2018	Cover Memo
Police Approval with Stipulations	3/29/2018	Cover Memo



NATICK LITTLE LEAGUE Inc.
www.NatickLL.org

Natick Board of Selectmen
Natick Town Hall
13 East Central Street
Natick MA 01760

To whom it may concern:

The Natick Little League program would like to have their annual Opening Day ceremonies on Saturday April 28, 2018 beginning at 9:00 AM. With your approval, we would like to have a parade starting at the South Natick Gulf, South Natick, proceed down Eliot Street (Route 16) to Pleasant Street and march into Hunnewell Fields lead by a town fire truck. If available, we would like to have at least one Selectmen representative as a guest speaker. Please let me know who will attend, as we would like to schedule speakers.

As in the past, a Certificate of Liability Insurance form will be forwarded to you from Fair & Yeager Insurance Company. (There should be one on file as we submitted one on 3/18 and 3/19 for rental of Natick High School Gym facility).

If there is anything else you require or other forms to be completed to expedite this request please let me know.

Sincerely,

Joe Landry
Joe Landry

Executive Director Natick Little League
781-727-8350

Gailjoe21@gmail.com

Cc: James G. Hicks, Chief of Police
Brain G. Lauzon, Lt. Executive Officer
Michael P. Lentini, Chief of Fire
Tim Collins, Natick High Athletic Director
Jason Hoyer, Natick High Baseball Coach
Karen Partanen, Director of Recreation and Parks
Arthur Goodhind, DPW
South Natick Gulf
Fair & Yeager Insurance Co.



Patricia O'Neil <poneil@natickma.org>

Little League Opening Day Parade 4/28/18

2 messages

Patricia O'Neil <poneil@natickma.org>
To: Brian Lauzon <lauzon@natickpolice.com>

Thu, Mar 29, 2018 at 12:01 PM

Brian, recommendations?

--

Trish O'Neil
Executive Assistant
Town of Natick
13 East Central Street
Natick, MA 01760
P: 508-647-6410
F: 508-647-6401
poneil@natickma.gov
www.natickma.gov



Little League Opening Day Parade 04.28.18.pdf
30K

Brian Lauzon <lauzon@natickpolice.com>
To: Patricia O'Neil <poneil@natickma.org>

Thu, Mar 29, 2018 at 5:01 PM

Trish,

Recommend approval. As in years past we will cover this event with on-duty personnel. Please, as part of the permit limit parking and staging on Leach Lane to the west side of the roadway so that access is not impeded for emergency vehicles.

Respectfully,

Lt. Brian G. Lauzon
[Quoted text hidden]

ITEM TITLE: Approve Use of Town Common: Race Amity Day-6/10/18
ITEM SUMMARY: Approve contingent upon approval by Rec & Parks Commission

ATTACHMENTS:

Description	Upload Date	Type
Request	3/29/2018	Cover Memo



Patricia O'Neil <poneil@natickma.org>

BoS Meeting

2 messages

Deborah Davis <deb1489@gmail.com>

Thu, Mar 29, 2018 at 7:21 AM

To: Selectmen@natickma.org

Cc: Carole Berkowitz <sosvcarolin@gmail.com>, Jill MacGlaflin <jmacglaflin@yahoo.com>

Dear Trish,

I spoke with Sue Salamoff yesterday and she suggested I contact you about an agenda item for tonight's meeting. I am writing on behalf of the Race Amity Day Committee to request the use of the Common on Sunday June 10. I already spoke with Linda at the Rec Dept and she was able to tell me that there aren't any other requests for that day at this time. As time is short, we are hoping to expedite the process and Sue thought perhaps this could be addressed at tonight's meeting.

I will also try to reach you by phone this morning but wanted to give you an idea of who we are first. Below is the letter I sent to Sue earlier this week.

Thank you for your time.

Deb Davis

In 2016, Governor Baker issued a proclamation designating the second Sunday in June as Race Amity Day. (<http://www.mass.gov/governor/constituent-services/recognition/issued-proclamations/2017/race-amity-day.html>) At that time, the National Center for Race Amity, based at Wheelock College began to offer an annual Race Amity Day Planning Workshop to help municipalities across Massachusetts plan Race Amity events in their own cities and towns.

I attended this workshop along with 2 other Natick representatives, Carole Berkowitz and Jill MacGlaflin. I am writing to you about our desire to create a Race Amity Day event in Natick to encourage cross race friendships.

At the workshop, we had the opportunity to speak with people from other towns about their varied 2017 experience. Representatives from Framingham read the Proclamation on the steps of City Hall, Lynnfield organized a picnic, and Needham provided entertainment including a storyteller and musicians. We recognize the importance of starting small for our first year and are leaning towards a simple picnic gathering on the Common.

We hope to work together with other organizations in town to acknowledge Race Amity Day in Natick on Sunday June 10. Carole and Jill have both reached out to several local groups to share our vision and ask for support. Last night, Jill and I attended the *Natick is United* meeting and presented our proposal to Lee Manuel, Myriam Hernandez and Guimel DeCarvalho.

We are writing to the Board of Selectmen to ask for your support and to help us navigate the next steps in terms of requesting use of the Common to sponsor a Race Amity Day Picnic.

As our time frame is fairly short, we would appreciate your response as soon as possible to keep us on schedule. Thanks in advance for your consideration. I look forward to your reply.

Thank you,

Deb Davis
14 Morse Street
Natick, MA

Patricia O'Neil <poneil@natickma.org>
To: Linda Pinault <lpinault@natickma.org>

Thu, Mar 29, 2018 at 10:40 AM

Hi Linda. Ms. Davis said she has spoken to you and that this request will go on your next agenda (May?) but that she would like to get approval from the Board contingent upon Rec & Parks approval. Just wanted to be sure you knew -- I'll put it on our 4/2 agenda.

[Quoted text hidden]

--

Trish O'Neil
Executive Assistant
Town of Natick
13 East Central Street
Natick, MA 01760
P: 508-647-6410
F: 508-647-6401
poneil@natickma.gov
www.natickma.gov

ITEM TITLE: Approve Parade Permit: Carry the Fallen Ruck March-4/28/18

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Request/Route	3/27/2018	Cover Memo
Police Approval	3/30/2018	Cover Memo

FAX

SPECIAL ATTENTION:

CHIEF AND OVERNIGHT/DAY SHIFT SUPERVISOR OF THE FOLLOWING

DEPARTMENTS: Hopkinton PD, Ashland PD, Framingham PD, Natick PD, Wellesley PD, Newton PD, Brookline PD, Boston PD

FROM: Adriane Wallace, Team Leader, *Carry the Fallen*- Team Minuteman

Email: Adriane.wallace@Yahoo.com

Cell phone: 603-944-0208

RE: Requesting Traffic Safety Escort/Assistance for *Carry the Fallen* Ruck March

DATE OF EVENT: April 28th, 2018

Carry the Fallen is requesting traffic/safety assistance again for their Ruck March in order to raise awareness/education/prevention of Veteran suicide and collect funds to help built a retreat for Veterans suffering from PTSD.

On April 28th we will set out again with approx 50 participants from *Active Heroes* organization, Armed Forces, Veterans and civilians. Each will be carrying backpacks, flags, etc, and will be marching the entire Boston Marathon route starting at 0600. Participants will march in two columns and a trail vehicle will be following the group to provide warning to traffic and also support for those marching. There may also be 2 additional private vehicles. All participants will be wearing reflective clothing and carry a flash/headlight. Participants will mainly be on the sidewalks as much as possible in order to NOT disrupt traffic or cause any traffic concerns.

PLEASE SEE ATTACHED: The attached map will give a detailed breakdown of our arrival and exit of each town/city.

Who is Carry the Fallen?

Carry The Fallen is a Ruck-March (Hiking) EVENT with a purpose by and for ACTIVE HEROES, a 501c3 Charity coordinated by Volunteer Team Leaders. Team Minuteman is the Boston based team. Learn more at: <https://activeheroes.org/carry-the-fallen>

Video: <https://vimeo.com/95668655>



START

5:15 Arrive and sign in	9:45 Mile Nine	3:05 Mile Nineteen (Entering Newton)
5:45 National Anthem	10:10 Mile Ten, 50 Minute break at the Natick VFW, Mothers of Fallen Soldiers Memorial	3:30 Mile Twenty, 15 minute break at Heartbreak Hill
6:00 Depart Hopkinton	11:25 Mile Eleven	4:10 Mile Twenty-One
6:25 Mile One	11:50 Mile Twelve	4:35 Mile Twenty-Two (Entering Brookline)
6:50 Mile Two	12:15 Mile Thirteen, 20 minute break at Starbucks	5:00 Mile Twenty-Three
7:15 Mile Three	1:00 Mile Fourteen (Entering Wellesley)	5:25 Mile Twenty-Four (Entering Boston)
7:40 Mile Four (Entering Ashland)	1:25 Mile Fifteen	5:50 Mile Twenty-Five
8:05 Mile Five	1:50 Mile Sixteen	6:15 Mile Twenty-Six
8:30 Mile Six (Entering Framingham)	2:15 Mile Seventeen	6:20 Arrive at the finish line on Boylston Street
8:55 Mile Seven	2:40 Mile Eighteen	
9:20 Mile Eight		

DIRECTIONS:

The historic course starts on Main Street in the rural New England town of Hopkinton and follows Route 135 through Ashland, Framingham, Natick, and Wellesley to where Route 16 joins Route 135.

It continues on Route 16 through Newton Lower Falls to Commonwealth Avenue, turning right at the fire station onto Commonwealth which is Route 30.

It continues on Commonwealth through the Newton Hills, bearing right at the reservoir onto Chestnut Hill Avenue to Cleveland Circle.

The route then turns left onto Beacon Street continuing to Kenmore Square, and then follows Commonwealth Avenue inbound.

The course turns right onto Hereford Street (NOTE: against normal traffic flow) then left onto Boylston Street, finishing near the John Hancock Tower in Copley Square.

Please note anticipated times and expected stops along the route. Quick stops for participants to run into an establishment for purchases or to use the facilities are permitted.

Please support my fundraising efforts at the below link for Active Hero's and help support our vet's.
<https://fundraise.activeheroes.org/fundraise?fcid=331373>

From: Patricia O'Neil <poneil@natickma.org>
To: Adriane Wallace <adriane.wallace@yahoo.com>
Sent: Monday, March 26, 2018 2:14 PM
Subject: Re: Carry The Fallen

[Quoted text hidden]

Patricia O'Neil <poneil@natickma.org>
To: Brian Lauzon <lauzon@natickpolice.com>

Tue, Mar 27, 2018 at 11:40 AM

Brian, your recommendations?

[Quoted text hidden]

--

Trish O'Neil
Executive Assistant
Town of Natick
13 East Central Street
Natick, MA 01760
P: 508-647-6410
F: 508-647-6401
poneil@natickma.gov
www.natickma.gov

2 attachments



ruckmap (1).jpg
1028K



Carry the Fallen Fax (2).docx
14K

Brian Lauzon <lauzon@natickpolice.com>
To: Patricia O'Neil <poneil@natickma.org>

Thu, Mar 29, 2018 at 5:47 PM

Trish,

We would recommend approval. In past years the petitioners have not required any assistance other than on duty personnel.

Respectfully,

Lt. Brian G. Lauzon

[Quoted text hidden]

ITEM TITLE: Approve Request to Accept Donation from Lee Payton to Police Department for Rape Aggression Defense System (RADS) Class

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Request	3/27/2018	Cover Memo

TOWN OF NATICK
NATICK, MASSACHUSETTS 01760



POLICE DEPARTMENT
James G. Hicks, Chief of Police

20 East Central Street
Natick, MA 01760
Phone: 508-647-9511
Fax: 508-647-9509

Memorandum

Date: March 20, 2018
To: Mr. Jonathan Freedman, Chair Board of Selectmen
From: Chief James G. Hicks
RE: Donation \$100

The Natick Police Department would like to request permission to accept a donation in the amount of \$100.00 from Lee Payton. I would like the donation be deposited and held to be expended upon my direction for the RAD Program.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "James G. Hicks", written over a horizontal line.

James G. Hicks
Chief of Police

ITEM TITLE: Weekly Warrant Reviews: 3/23/18 & 3/29/18

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
3/23/18	3/27/2018	Cover Memo
3/29/18	3/29/2018	Cover Memo



Office of the Comptroller

Town of Natick
Massachusetts 01760

Date: March 23, 2018

From: Cyndi Tomasetti
Staff Accountant

To: Board of Selectmen

Subject: Warrant Review

In accordance with Board of Selectmen's procedures, the Chairperson was sent the following warrants for review and signature on March 23, 2018

Warrant Type	Warrant Number	Check date	Amount
Payroll	2018-40P	3/27/2018	2,238,996.35
Accounts Payable	2018-40S	3/27/2018	1,249,803.18
Accounts payable	2018-40R	3/27/2018	11,053.84
Accounts payable	2018-40T	3/27/2018	470,041.94
Accounts payable	201840NC	3/27/2018	716,527.33
Accounts payable	201840vb	4/1/2018	3,604.27

If you wish to review the details regarding any of these warrants please feel free to contact this office.





Town of Natick
Massachusetts 01760

Office of the Comptroller

Date: March 29, 2018

From: Cyndi Tomasetti
Staff Accountant

To: Board of Selectmen

Subject: Warrant Review

In accordance with Board of Selectmen's procedures, the Chairperson was sent the following warrants for review and signature on March 29, 2018

Warrant Type	Warrant Number	Check date	Amount
Payroll	2018-41P	4/3/2018	1,377,111.68
Accounts Payable	2018-41S	4/3/2018	243,977.28
Accounts payable	2018-41R	4/3/2018	73,161.16
Accounts payable	2018-41T	4/3/2018	828,331.13
Accounts payable	201841NC	4/3/2018	1,871,961.05

If you wish to review the details regarding any of these warrants please feel free to contact this office.



ITEM TITLE: Approve Meeting Minutes

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
2/29/16	4/2/2018	Cover Memo
11/28/16	3/29/2018	Cover Memo
12/5/16	3/29/2018	Cover Memo
12/12/16	3/29/2018	Cover Memo
3/19/18	3/29/2018	Cover Memo
3/28/18	3/29/2018	Cover Memo

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM – NATICK TOWN HALL

February 29, 2016

6:00 PM

PRESENT: Chairman Charles M. Hughes, Vice Chair Richard P. Jennett, Jr., Clerk Nicholas S. Mabardy, John Connolly, and Joshua Ostroff

ALSO PRESENT: Town Administrator Martha White and Executive Assistant Trish O'Neil

Mr. Hughes called the public meeting to order at 6:01 p.m. The Chair requested a motion to enter into Executive Session to discuss matters pertaining to Collective Bargaining, Executive Session Minutes, and Real Property, with the Chair announcing that discussion of Executive Session matters in Open Session would have a detrimental effect on the Board of Selectmen's negotiating position and the Town's interests. Mr. Ostroff, seconded by Mr. Connolly, moved to enter into Executive Session and, by a roll call vote, all Board Members voted 5-0-0 in favor of the motion, the Chair announcing that the meeting would return to Open Session at approximately 7:00 p.m. The Board entered into Executive Session at 6:05 p.m.

Open Session reconvened at 7:05 p.m. The Pledge of Allegiance was recited and a moment of silence was observed for those protecting our country.

ANNOUNCEMENTS

Mr. Ostroff encouraged the public to provide their input regarding plans for the future of Natick Center via a survey on the Natick website. Mr. Ostroff also mentioned a hearing tomorrow that will be open to the public concerning allowing utilities to be fined for failure to maintain their wires and lines properly.

Mr. Hughes announced that the polls will be open tomorrow from 7:00 a.m. until 8:00 p.m. for the presidential primary election and encouraged contact with the Town Clerk's Officer for answers to questions. He also noted that the Town Election will be held on March 29th.

Mr. Connolly commended Mr. Marsette and the rest of the DPW staff for their quick response to his request that damaged signs on the Hanna Memorial Bridge be repaired.

WHAT'S NEW

Christine Guthery, Executive Director of SPARK (Successful, Positive, Authentic, Resilient Kids) Kindness, a nonprofit, grassroots movement that offers programs for the benefit of parents, children, and families, talked about the movement's "Resilient Parent / Resilient Child" series, which addresses mental health, substance abuse, healthy relationships, and Internet safety. SPARK will be hosting an outdoor resource program at the Wilson School on March 30th from 5-7:00 p.m. The program is designed to get families excited about spending time in nature and will highlight local organizations and natural resources. Departments and organizations participating will include Recreation & Parks, the Natick Community Organic Farm, Lookout Farm, and others. Information about the program can be found on the Town's website.

CITIZEN'S CONCERNS

Mr. Edward Wall presented on behalf of the Sierra Club to discuss two bipartisan bills regarding gas leaks that are currently before the Legislature. He contends that there are a number of gas leaks in Natick and throughout the Commonwealth that residents are paying for through their gas rates. His request is that the Board pass a Resolution in support of House Bills 2870 and 2871, designed to prevent utilities from passing the cost of lost gas on to consumers. Mr. Ostroff stated that the DPW will be meeting with Eversource in a few weeks and will get back to the Board with a report. Mr. Wall asked to return to the Board once they have more information and have had time to consider his request.

APPOINTMENTS WITH THE BOARD OF SELECTMEN

1. **Lookout Farm, LLC – Request Co-Holder Approval for a Special Permit Granted by the Agricultural Preservation Restriction Program:** John Burns of Lookout Farm presented to request approval for the Farm to hold wedding ceremonies and receptions at the back of the property to the left of the children's play area. Tents with tables would be provided and bathrooms would be brought in. Mr. Burns stated that he has met with the Fire Chief, the Police Chief and Lt. Lauzon, the Director of Public Health, and the Building Department. Mr. Burns stated that the neighbors would be informed. In order to serve alcohol at a wedding event in addition to hard cider, the Farm would apply to the State for an alteration in their pouring permit and would hire a caterer with a 12C license to serve alcohol. Attorney Tom Grassia, representing the Farm, stated that all ancillary requirements regarding food, entertainment, etc. would be separate requests that would have to be satisfied. The only request for this evening is for the Board to approve wedding events at the Farm. Mr. Connolly and Mr. Hughes offered their support for any activity that would help the Farm maintain its viability. Moved by Mr. Connolly and seconded by Mr. Ostroff, the Board voted 5-0-0 in favor of the request for a special permit to hold wedding events at the Farm.
2. **Comptroller – Quarterly Report FY 2016 – 2nd Quarter:** Gini Cahill presented her quarterly report, noting the expectation that the Town will meet projected revenues for the year and that expenditures will remain the same.
3. **Interviews for Appointments to the Sawin House Advisory Committee:** Mr. Duane Houghton and Mr. Michael Marotta provided relevant background information, each citing an interest in historic preservation, and explained why they would be interested in serving on this Committee. Moved by Mr. Mabardy and seconded by Mr. Jennett, the Board voted 5-0-0 in favor of nominating both gentlemen for appointment to the Committee. Ms. White stated that once the Town Moderator affirms their appointments, along with that of Moire Balsam (previously nominated by the Board), they are to be sworn in by the Town Clerk and can then schedule their first meeting.
4. **Interviews for Appointments to the West Natick Fire Station 4 Building Committee:** The Board interviewed Patrick Hayes, a Natick resident since 2001, who expressed an interest in doing more for the Town and in public safety, with a desire to build the best station possible and improve services to the Town. Also interviewed was John Doherty, born and bred in Natick, who also expressed a desire to contribute to the Town, but noted that he was quite impressed by Mr. Hayes and actually advised the Town to cast their vote for him. On a ballot vote, the Selectmen voted unanimously to appoint Mr. Hayes. Additional appointees to the Committee (appointed at the February 16th Selectmen's Meeting) are John Cicariello, Will Schoenig, and Andrew London.
5. **Public Hearing – Court Street Associates -- Change of Address:** Mr. Mabardy read aloud the Public Hearing Notice. Moved by Mr. Jennett and seconded by Mr. Ostroff, the Board voted 5-0-0 to open the Public Hearing. Mr. Mabardy spoke on behalf of the building owner, Mr. Zaltas, who has requested a change of address from 6 Adams Street to 8 Court Street since the entrance to the building is actually on Court Street. Seeing no questions from the public, Mr. Jennett, seconded by Mr. Ostroff, moved to close the Public Hearing, which motion passed on a vote of 5-0-0. Moved by Mr. Jennett and seconded by Mr. Connolly, the Board voted 5-0-0 in favor of the change of address.
6. **Public Hearing – Oxbow Development – Assign New Addresses:** Since no representative from Oxbow Development was present to explain the request, the Public Hearing was continued to the next meeting.
7. **Police Chief:**
 - a. **Provisional Promotion to Sergeant – Officer James Quilty – Change in Start Date:** Chief Hicks stated that a previous vote was made for a start date of March 6th and a request is made to have Officer Quilty start on March 2nd. Moved by Mr. Connolly and seconded by Mr. Jennett, the Board voted 5-0-0 to approve the new start date.
 - b. **Appointment of Permanent Full-Time Police Officers – Allison Lucenta and Patrick Grady:** Chief Hicks stated that all hiring requirements have been fulfilled and the request is to appoint both as permanent officers, Mr. Grady's appointment effective March 2nd and Ms. Lucenta's appointment effective March 14th. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 in favor of the appointments, with congratulations extended to the two officers and their parents and families.
8. **Public Hearing – Natick Center Parking Rates and Times:** Mr. Mabardy read the Public Hearing Notice aloud and then moved, seconded by Mr. Jennett, to open the Public Hearing, which motion passed by a vote of 5-0-0. Paul McKinley, Chair of the Parking Advisory Committee, presented to formalize changes made to the downtown parking plan and yielded to Chief Hicks to provide the details. Chief Hicks stated that tonight's focus was specifically on the Pond Street parking lot. He explained the lack of four-hour parking spots needed by surrounding businesses was an oversight

that should be corrected. All parking in the lot is currently limited to two hours and should be increased to four hours. The Chief also recommended changing the rate from 25 cents per hour to 25 cents per 30 minutes in the Pond Street parking lot as well as on Summer Street. Seeing no comment from the public, Mr. Connolly moved, seconded by Mr. Jennett, to close the Public Hearing, which motion passed by a vote of 5-0-0. Moved by Mr. Connolly and seconded by Mr. Jennett, the Board voted 5-0-0 to approve the time and fee changes as presented.

9. **Public Hearing – Naming of Walking Paths:** After reading the Public Hearing Notice aloud, Mr. Mabardy, seconded by Mr. Ostroff, moved to open the Public Hearing and the motion passed unanimously. This public hearing is held to consider whether to name up to 10 walking paths and, if so, to consider names. Mr. Ostroff stated that naming of walking paths could be done with the consent of property owners and is an opportunity to stake a claim that says the people of Natick have the right to cross over a certain way in an effort to protect walkability in the community. According to Mr. Ostroff, Mercer Road and Porter Road are no longer options because a petition from residents was received in opposition of the idea. Asked for public comment, a resident of 19 Arbor Circle contended that naming a walking path near his property will cause people to believe it is a trail and encourage access to the back of his home. Noting that several other potential walking paths are on private property and that the concept may be met with resistance, Mr. Hughes suggested keeping the Public Hearing open for further discussion at the next meeting. Specifically, the following actions will be taken for each of the proposed walking paths:

- a. Between Centre Street and Emerson Street easements across 41 Centre Street, 43 Centre Street, 25 Emerson Street and 27 Emerson Street, with the proposed name of Emerson Path: A letter will be sent to the property owner.
- b. From Kennedy Middle School to Surrey Lane, partly on School Committee property and partly on a town layout, with the proposed name of Sherwood Path: To be considered at the next meeting.
- c. From Grove Road at Border Road to the so-called Morse's Pond Trail, partly on a town layout, and partly on Town owned land commonly known as at the Gravel Pit, located at 17 Oak Street, with the proposed name of Grove Path: To be considered at the next meeting.
- d. From Richmond Road to Winslow Road on the layout for Traverse Road, with a proposed name of Traverse Path: To be considered at the next meeting.
- e. From Oakridge Ave to Bacon Street across town land at 42½ Bacon Street under control of the Conservation Commission, abutting 23 and 25 Oakridge Ave and 42 and 44 Bacon Street, with the proposed name of Oakridge Path: A letter will be drafted to ConCom asking that it be named Oakridge Path.
- f. From Arbor Circle to Pauline Drive, partly on an easement across 17 Arbor Circle and 19 Arbor Circle, and partly over private property at 17 Arbor Circle presently subject to a license agreement with the Town, with the proposed name of Arbor Path: To be removed from the list.
- g. From Clearview Drive to Craigie Street across town land at 0 Craigie Street and under the control of the Conservation Commission, with the proposed name of Clearview Path: A letter will be drafted to ConCom asking that it be renamed.
- h. From Parkview Street to Craigie Street on a town layout, with the proposed name of Parkview Path: A letter will be drafted to ConCom asking that it be renamed.
- i. From Woodleigh Road to Whispering Lane across an easement across 27 Whispering Lane and a town layout, with the proposed name of Woodleigh Path: The property owner will be consulted.
- j. From Oliver Street to Pitts Street on a town layout, with the proposed name of Oliver Path. Maps of the paths: A letter will be sent to the property owner.

Moved by Mr. Ostroff and seconded by Mr. Mabardy, the Board voted 5-0-0 to continue the Public Hearing to the next meeting.

DISCUSSION AND DECISION

10. **Appointments to the Kennedy Trust Fund and John B. Walcott Trust Fund:** Per Ms. White, these committees have been inactive for some time, in part due to a lack of clergy members willing to participate because of the restrictions of the Open Meeting Law to which they were thought to be subject. A determination from the Attorney General's Office indicates that the Board of Clergy is not a public body and thus is not subject to Open Meeting Law so clergy members were contacted asking that they consider sitting on these committees. Three candidates have been identified and though unable to be present tonight, Ms. White requested they be appointed by the Board. Moved by Mr. Jennett and seconded by Mr. Mabardy, the Board voted 5-0-0 to appoint Reverend Eric Markman of the Hartford Street Presbyterian Church, Rabbi Daniel Liben of Temple Israel, and Reverend Jon

Strand of St. Paul's Episcopal Church. The three clergy members will be notified of their appointments.

11. Cochituate Rail Trail:

- a. **Environmental Testing:** The Town's Environmental Compliance Officer, Bob Bois, obtained a quote from Stantec Consulting Services of \$18,190 to perform a phase I environmental site assessment of the CRT Corridor to identify potential liability related to hazardous materials present in the vicinity. Mr. Ostroff recommended that the Board vote to authorize an expenditure for testing by Stantec in an amount not to exceed \$30,000, subject to agreement by the Conservation Commission, and made that motion. In response to Mr. Connolly's question, Mr. Ostroff explained that the money would come from mall mitigation funds and Chapter 40 payments from the State, reassuring Mr. Connolly that local taxpayer money would not be involved. Mr. Jennett seconded the motion. The Board voted 5-0-0 in favor of the motion.
- b. **Metes and Bounds Survey:** As required by the Purchase & Sale Agreement, a metes and bounds survey (a survey of the boundary of the land), to be funded through past appropriations and subject to votes by the Selectmen and the Conservation Commission, must be performed within 90 days of the closing, though CSX is open to an extension. Mr. Ostroff, seconded by Mr. Jennett, moved to have the metes and bounds survey performed and the motion passed by a vote of 5-0-0. Moved by Mr. Ostroff and seconded by Mr. Jennett, the Board voted 5-0-0 to request a 90-day extension from CSX.

12. Consideration of Special Town Meeting: Mr. Ostroff stated that a parcel of land was inadvertently omitted from the Spring Warrant Article pertaining to acquisition of the Saxonville Branch. Because it must be explicitly cited in the Article, Mr. Ostroff is proposing that a Special Town Meeting be held within the Spring Town Meeting in order to correct the omission. Mr. Ostroff would like to have both of his proposed Articles, i.e., the Saxonville and Wonderbread Spur Articles, heard at the Special Town Meeting. After figuring out the timing, Mr. Ostroff, seconded by Mr. Jennett, moved to call a Special Town Meeting on the first night of Spring Town Meeting, i.e., April 12th, with the Warrant due to close on Tuesday, March 8th, at 5:00 p.m. The Board approved the motion 5-0-0. Mr. Ostroff, seconded by Mr. Jennett, moved to have the two aforementioned Articles placed on the Warrant, which the Board approved 5-0-0. The Board will meet on Thursday, March 10th, to sign the Warrant.

13. Discussion of 2016 Spring Annual Town Meeting Warrant Articles:

- a. **Article 21 – Increase Personal Property Exemptions:** Moved by Mr. Connolly and seconded by Mr. Jennett, the Board voted 5-0-0 to recommend favorable action.
- b. **Article 2 – Committee Article:** Moved by Mr. Ostroff, seconded by Mr. Jennett, 5-0-0 favorable action.
- c. **Article 3 – Structured Tax Agreement:** Moved by Mr. Jennett, seconded by Mr. Ostroff, 5-0-0 favorable action.
- d. **Article 12 – School Bus Transportation Subsidy:** Moved by Mr. Jennett, seconded by Mr. Ostroff, 5-0-0 favorable action.
- e. **Article 22 – Unpaid Bills:** Moved by Mr. Ostroff, seconded by Mr. Jennett, 5-0-0 favorable action.
- f. **Article 34 – Appropriate Funds to the Walcott Fund:** Jeff Towne, the Deputy Town Administrator/Director of Finance, explained that some time in the past, monies were previously expended from the fund's principal when they should have been expended from the fund's earned interest. This Article requests an appropriation to replace the principal from free cash monies. Mr. Connolly stated his belief that someone had stolen money from the fund and should be held accountable. Mr. Ostroff stated that money was not stolen but distributed to people in need. Ms. White stated that the Finance Committee favored an amount of \$12,000 but Mr. Jennett stated that \$15,000 would make the fund whole. Moved by Mr. Jennett and seconded by Mr. Hughes, the Board voted 5-0-0 to recommend favorable action to transfer \$15,000 in free cash to the Walcott Fund.
- g. **Article 35 – Appropriate Funds for Route 27 Design:** Moved by Mr. Ostroff, seconded by Mr. Jennett, 5-0-0 favorable action.
- h. **Articles 27 and 28 – Acquisition of CSX Saxonville Branch and Acquisition of the So-Called Wonderbread Spur:** Moved by Mr. Ostroff, seconded by Mr. Jennett, the Board voted 5-0-0 to recommend no action since these two Articles will be the subject of a Special Town Meeting.
- i. **Article 39 – Appropriate Funds for Abutters to Lake Street Drainage Project:** Mr. Ostroff's intent with Article 39 is to offer compensation to abutters who suffered through the Lake Street drainage project. After a great deal of discussion regarding a dollar amount, which abutters would be included, where the money would come from, Mr. Connolly

requested that the matter be tabled until the next meeting in order to give the idea further thought.

14. West Suburban Health Group FY 2017 Rates and Audit Proposal: For informational purposes, Ms. White noted that rate increases will be modest – good news since her preliminary budget had projected a 10% rate increase for all health insurance plans. The Deputy Town Administrator/Finance Director will calculate the estimated savings to present at the next meeting. The West Suburban Health Group has voted to engage audit services to evaluate its financial stability. Nothing is required of the Board this evening.

15. Town Administrator Evaluation: Mr. Ostroff stated his disappointment in the overall evaluation process, feeling that the Board has not done its duty in that some Board Members have not met with the Town Administrator nor had any discussion with her, and questioning how an evaluation can take place with no mutual give and take. For those reasons, Mr. Ostroff felt that he could not accept nor sign the evaluation. Mr. Connolly disagreed, stating that whether or not to meet with the Town Administrator was his prerogative and he had chosen not to do so. Mr. Mabardy apologized for his failure to meet with Ms. White since he had found their meetings beneficial in the past. Mr. Hughes stated that the Town is well served by Ms. White and he has found his meetings with her productive. Moved by Mr. Jennett and seconded by Mr. Mabardy, the Board voted 3-1-1 to accept and sign the Town Administrator's review as presented, with Mr. Ostroff abstaining and Mr. Connolly opposing.

REQUESTED ACTION: On separate motions made by Mr. Jennett and seconded by Mr. Mabardy, the following items were unanimously approved by separate votes:

- a. Request for exemption from Town Bylaws Article 41, Section 4, Gordon Van Tassel
- b. Katie V. Road Race date change from 5/22/16 to 6/5/16
- c. Carry the Fallen Ruck March on 3/19/16
- d. Banner request for Team Danny & Friends Multiple Sclerosis Fundraiser from 4/4-4/11/16
- e. Referral of zoning changes to the Planning Board
- f. October 13, 2015 minutes

TOWN ADMINISTRATOR NOTES

None.

SELECTMEN'S CONCERNS

Mr. Ostroff stated that there is likely to be an April groundbreaking for the Marion Street Bridge and that he will have further information for the next meeting.

Mr. Hughes noted that the Boston Athletic Association has donated \$60,000 to the Town of Natick.

ADJOURNMENT

On a motion by Mr. Ostroff, seconded by Mr. Jennett, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen's Meeting at 11:10 p.m.

Richard P. Jennett, Jr., Clerk

February 29, 2016 Board of Selectmen Meeting Minutes Approved by the Board of Selectmen on April 2, 2018

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All documents used at this Board of Selectmen meeting are available at:

<https://naticktown.novusagenda.com/agendapublic/MeetingView.aspx?MeetingID=244&MinutesMeetingID=-1&doctype=Agenda>

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM – NATICK TOWN HALL

November 28, 2016

6:00 PM

PRESENT: Chairman Richard P. Jennett, Jr., Vice Chair Nicholas S. Mabardy, Clerk Jonathan Freedman, John Connolly, and Susan G. Salamoff

ALSO PRESENT: Town Administrator Martha L. White and Executive Assistant Trish O'Neil

After calling the public meeting to order at 6:03 p.m., the Chair requested a motion to enter into Executive Session to discuss matters pertaining to Executive Session Minutes and Litigation, announcing that discussion of Executive Session matters in Open Session would have a detrimental effect on the Board of Selectmen's negotiating position and the Town's interests. Mr. Freedman, seconded by Ms. Salamoff, moved to enter into Executive Session and, by a roll call vote, all Board Members voted in favor of the motion. The Board entered into Executive Session at 6:10 p.m., the Chair announcing that the meeting would return to Open Session at approximately 7:00 p.m.

Open Session reconvened at 7:08 p.m. The Pledge of Allegiance was recited and a moment of silence was observed for those protecting our country.

ANNOUNCEMENTS:

Mr. Freedman provided an update on the Kennedy Middle School Project. The Building Committee is in the process of selecting an Owner's Project Manager. Twenty-seven firms have submitted responses to the Request for Services, which a subcommittee will narrow down to three finalists that will then be presented to the full committee.

Ms. Salamoff announced an information session regarding the Natick Master Plan process will take place at the Wilson School tomorrow at 6:30. Pearl Harbor Day Ceremonies are scheduled for December 7th at 6:30 at the Community-Senior Center.

WHAT'S NEW: Chief White announced that through a grant from the Local Emergency Planning Committee, two engine companies tested a new technology -- mobile data terminal software on tablets. The purpose of the software is to allow engine and ladder companies to go to commercial properties to inspect businesses for fire hazards with the ability to then pull up that information when responding to a call. Town Meeting approved funding of the program and the plan is to purchase four additional tablets so that every piece of apparatus will have one. There are over 600 commercial buildings that will undergo inspection.

CITIZEN'S CONCERNS

Ann Fremault of 4 Arlington Circle requested that the Town take action with regard to low-hanging wires in the vicinity of her home. She described an incident in which a trash truck hit the wires, which came down and caused a fire on her property, and is worried that the lines are going to come down again. Though Eversource and Verizon have been out to her property multiple times, neither will take responsibility for the wires and Ms. Fremault is requesting the Selectmen's help. Ms. White stated that staff will contact the utility companies tomorrow. Mr. Chenard stated a good portion of the poles in Town are owned by Eversource. Mr. Connolly expressed frustration with Eversource, suggesting the possibility of imposing fines, but noted that state law requires the Town to allow Eversource to put poles in. Ms. Salamoff noted that there is currently legislation in the State House regarding the removal of double poles in Town.

CONSENT AGENDA

The Chair asked if any members of the public or the Board would like to discuss any item on the consent agenda. Mr. Freedman asked to remove the Verizon request for a utility pole attachment from the Consent Agenda since the matter needs to be referred back to the Building Commissioner. Moved by Mr. Freedman and

seconded by Mr. Mabardy, the Board voted 5-0-0 to refer the Verizon request back to the Building Commissioner. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 to approve the employee exemption for Brian Ridge.

APPOINTMENTS WITH THE BOARD OF SELECTMEN

1. **Maurice Kaufman – Request for Water & Sewer Abatement:** Mr. Kaufman presented to appeal the decision regarding a request he made for an abatement to his water/sewer bill. Over the summer, Mr. Kaufman filled a swimming pool he had installed, contending that the water used stays in the pool because the pool has no drain and thus cannot enter the sewer. Mr. Chenard explained that if a property owner can demonstrate that the water in question did not go into the sewer system, then the policy of the Board is to allow an abatement of the sewer portion of the bill. However, the Board's policy does not apply to filling a swimming pool, a nonessential use of water. In the case of a pool, the homeowner is advised to install an irrigation meter. If Mr. Kaufman had an irrigation meter, the water use would have been calculated at the irrigation rate. An irrigation meter is intended to incentivize water conservation. Since the filling of a pool is considered "nonessential" water use, an abatement cannot be granted based on the Board's policy. Mr. Kaufman is not willing to install an irrigation meter. Ms. Salamoff inquired about the cost of such a meter. Mr. Chenard stated that they can run between \$450-\$900 depending on the type of meter. Mr. Chenard further explained that the reason for this policy is so that abatements are not processed over and over again every time a pool is filled. Mr. Connolly supported an abatement for Mr. Kaufman in the amount of \$365.28, but also noted that a water ban had been in effect over the past summer. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 to approve the abatement.
2. **Michael Brum – Interview for Appointment to the Community Services Advisory Committee:** Mr. Brum, a recent graduate of the Leadership Academy, was invited by Ms. Lambert, Director of Community Services, to serve on this committee. After he provided background information, Mr. Connolly, seconded by Ms. Salamoff, moved to approve his appointment to the Committee for the period of a year. The Board voted 5-0-0 in favor.
3. **Savin Burger, LLC, d/b/a Smashburger – Application for a Change in Manager and Approval of 2017 Liquor License Renewal:** Adam Fletcher, the current manager of Smashburger, stated that with his recent promotion, he will not be able to spend as much time at the location and Paul Aube is proposed to be the new manager. Mr. Aube offered pertinent background information. Moved by Mr. Connolly and seconded by Mr. Freedman, the Board voted 5-0-0 to approve the change in manager. Moved by Mr. Connolly and seconded by Mr. Freedman, the Board voted 5-0-0 to approve the renewal of the restaurant's 2017 liquor license.
4. **Natick Lodge #1425 BPOE of USA, Inc. (Natick Elks):**
 - a. Application for a Change in Manager and Approval of 2017 Liquor License Renewal: Mr. Paul Sanford provided pertinent background information and requested approval to become the new manager. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 in favor of approving the change in manager. Moved by Mr. Connolly and seconded by Ms. Salamoff, the Board voted 5-0-0 to approve the renewal of the 2017 liquor license.
 - b. Request to Serve Alcohol Outside the Described Premises on Saturday, 12/3/16: Ms. White requested that this matter be approved as an emergency item since the required information was unknown at the time the agenda was posted. On December 3rd, the Elks are sponsoring the Connor Heffler Collation in memory of the recently deceased boy and would like to serve alcohol outside the lodge, beginning at 10:00 a.m. (a change to their regular serving hours), for those attending the event. Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted 5-0-0 to approve consideration of the emergency item. Mr. Freedman requested assurances that all alcohol rules and regulations would be followed, including TIPS certification, age verification, etc. As the impetus for the event, the Police Department will manage the traffic flow. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 to approve the request to serve alcohol outside the lodge. Moved by Mr. Connolly and seconded by Mr. Mabardy, the Board voted 5-0-0 to approve a change in serving hours from noon to 10:00 a.m. for both interior and outdoor locations. Ms. White noted that the Elks would need approval for the tent they intend to use from the Building Department.

Mr. Connolly discussed the request of the Department of Public Works to repaint the street dividing lines from yellow to orange and blue in memory of Connor from December 1st to December 4th, at which time the lines will be repainted yellow. There will be no cost to the Town and Lt. Lauzon has expressed his support. Moved by Mr. Mabardy and seconded by Mr. Connolly, the Board voted 5-0-0 in favor of the motion.

5. **DDH Hotel/Crowne Plaza – Application for a Change in Manager and Approval of 2017 Liquor License Renewal:** Ms. Lynne Luongo, a Natick resident and newly appointed General Manager of Crowne Plaza, provided relevant background information pertinent to her new position. Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted 5-0-0 in favor of the change in manager. Moved by Mr. Freedman and seconded by Mr. Connolly, the Board voted 5-0-0 to approve renewal of the 2017 liquor license.
6. **Robert Bird, Envirotrac Environmental Services – Request to Install Monitoring Well at 0 Cleveland Circle (Town-Owned Land):** Robert Byrd, the owner of Speedway LLC at 207 Worcester Road requested to install a monitoring well on town-owned property at 0 Cleveland Circle for the purpose of groundwater sampling and other activity required by the Department of Environmental Protection. After Mr. Byrd answered multiple questions regarding safety and insurance, Mr. Freedman, seconded by Mr. Connolly, moved to allow Speedway LLC to install a monitoring well on the aforementioned property. The Board voted 5-0-0 to approve the motion.
7. **Procurement Officer:**
 - a. **Declaration of Surplus Equipment – School Department:** Mr. LeBlanc stated that there are several pieces of old School Department equipment, all in various states of used condition, that no one has claimed and that Facilities has in temporary storage at a cost of \$220 per month. The total value of the items is approximately \$500. The request is for the Board to declare these items as surplus property, at which time they will be listed on publicsurplus.com for bids. If there is no interest, the items will be sold to a salvage company for scrap metal. Moved by Mr. Freedman and seconded by Mr. Connolly, the Board voted 5-0-0 in favor.
 - b. **Award of Contracts:**
 - i. **East School and Fire Station No. 3 Roofs** – Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted 5-0-0 in favor of awarding the contract to Gibson Roofs, Inc. in the amount of \$338,400.
 - ii. **Parking Ticket Collection System** – The new tracking system will consist of hardware and software that will allow police officers to scan license plates for parking ticket violations and/or warrants and interface with the RMV and the Treasurer's Office, providing greater efficiency, better enforcement, and enhanced collection rates. Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted 5-0-0 to award the contract to Municipal Citation Solutions, LLC in the amount of \$16,500 (\$14,000 for services and \$2,500 for hardware) for the first year. The Town has sole discretion to award one or two options for renewal at a rate of \$14,000 per year (with no charge for hardware in either option year).
8. **Council on Aging Director – Request to Accept Donation from Needham Bank for the Council on Aging and Human Services:** Ms. Ramsey requested the Board approve acceptance of a \$2,750 donation from the Needham Bank that will be used for the purchase of lanterns (useful for power outages and extended storms) that are to be given out at the annual holiday party for seniors. Moved by Mr. Mabardy and seconded by Ms. Salamoff, the Board voted 5-0-0 in favor of accepting the donation.
9. **Police Chief – Dive Team Memoranda of Understanding – Natick/Patrol Officers and Natick/Superior Officers:** Chief Hicks stated that the Police and Fire Departments have been working together on a dive team. Any patrol or superior officer who performs dive team duties will be compensated an additional \$5 per hour while engaged in such duties. The total annual cost for the two officers involved would be \$1,000. Moved by Mr. Freedman and seconded by Mr. Mabardy, the Board voted 5-0-0 in favor of approving the two MOUs.

DISCUSSION AND DECISION

10. **Discussion Regarding Community Unity:** Ms. Salamoff read aloud the revised Board of Selectmen's community unity statement. Though supportive of the ideas expressed in the statement, Mr. Mabardy felt that the majority of townspeople do not fall into the category of prejudice, bias, or racism. Mr. Connolly, again supportive of the statement's sentiments, felt that a document to express those sentiments was unnecessary. Mr. Freedman felt that speaking as a Board is more powerful than speaking as an individual and that the message simply affirms that Natick is a community that cares. Mr. Jennett felt it was the Board's responsibility to make a statement since the townspeople are looking to the Board for leadership. Ms. Salamoff stated that the Police Chief and the Superintendent of Schools issued a statement and the Board of Selectmen should follow suit. Ms. White, acknowledging that the decision was the Board's, said she wanted to reinforce the thought that silence in the face of witnessed acts of hatred amounts to complicity, especially when certain segments of the population have felt emboldened of late to advance bigoted thoughts and opinions.

Mr. Jennett offered to wordsmith the statement a bit and Ms. Salamoff agreed. Moved by Ms. Salamoff and seconded by Mr. Freedman, the Board voted 5-0-0 in favor of issuing a statement.

11. **Dolphin Restaurant – Alleged Alcohol License Violation**: Ms. White stated that the Board needs to decide whether or not to hold a public hearing regarding an alleged alcohol license violation at which Attorney DeLuca and Lt. Lauzon would be present. Moved by Mr. Connolly and seconded by Ms. Salamoff, the Board voted 5-0-0 in favor of scheduling a public hearing. The Dolphin will be notified when the hearing is scheduled.
12. **Certification of CSX Land Acquisition Bonds**: Present were John Townsend, Deputy Town Administrator/Finance Director, and Steve Price, Collector/Treasurer. As a formality from Bond Counsel, a certification is needed from the Board of Selectmen regarding anticipated use of the property, i.e., that it will not be leased, rented, sold, etc. to a third party as long as the bonds are outstanding. Mr. Townsend stated that the maximum term of the note would be 10 years but it is planned to be paid in a year. Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 5-0-0 to sign a certification letter to be provided by Ms. White.

TOWN ADMINISTRATOR NOTES

None.

SELECTMEN’S CONCERNS

Ms. Salamoff stated she will not be available to attend the next meeting, and Mr. Jennett stated he would be unable to attend the meeting following that.

Mr. Connolly asked about the possibility of scheduling a meeting regarding Camp Arrowhead. Ms. White stated she has not yet heard from the State and explained that the situation is difficult since nobody has a right of access to the property because no license or lease has been executed; thus, construction on the property is being held up.

ADJOURNMENT

On a motion by Mr. Connolly, seconded by Ms. Salamoff, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen’s Meeting at 10:18 p.m.

Richard P. Jennett, Jr., Clerk

November 28, 2016 Board of Selectmen Meeting Minutes Approved by the Board of Selectmen on April 2, 2018

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<https://naticktown.novusagenda.com/agendapublic/MeetingView.aspx?MeetingID=317&MinutesMeetingID=-1&doctype=Agenda>

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM – NATICK TOWN HALL

December 5, 2016

6:00 PM

PRESENT: Chairman Richard P. Jennett, Jr., Vice Chair Nicholas S. Mabardy, Clerk Jonathan Freedman, John Connolly, and Susan G. Salamoff

ALSO PRESENT: Town Administrator Martha L. White and Executive Assistant Trish O'Neil

Open Session was called to order at 6:12 p.m. The Pledge of Allegiance was recited and a moment of silence was observed for those protecting our country.

CITIZEN'S CONCERNS

Town Clerk Diane Packer announced that nomination papers for the annual town election on March 28th will be available this week.

Josh Ostroff, speaking in his capacity as a Town Meeting Member, explained that the Elderly and Disabled Taxation Fund depends upon contributions from residents. The Fund helps needy residents pay their bills and awards are made in late January/early February. Contributions are tax deductible and can be made online or with tax bills.

CONSENT AGENDA

The Chair asked if any members of the public or the Board would like to discuss the consent agenda and no discussion was requested. Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted unanimously to approve the Consent Agenda, which included only a request for exemption from Town By-Laws Chapter 41, Section 4 for Jessica Cliff (Board of Health and School Department employee).

APPOINTMENTS WITH THE BOARD OF SELECTMEN

1. **MincoCorp Development – Request to Extend Permit to Occupy a Public Way:** Michael Carr, the Manager of 21 South Main Street and owner of the old Town Paint property, requested a three-week extension to his previous permit to repave the sidewalk. Moved by Mr. Mabardy and seconded by Mr. Connolly, the Board voted 5-0-0 to approve a three-week extension, ending on December 23rd, with all previous conditions of approval remaining in place.
2. **Deputy Town Administrator/Operations – Approve Award of Contract for West Natick Fire Station/Owner's Project Manager:** Mr. Chenard explained that this contract is qualifications-based. There was a unanimous vote of the Building Committee to recommend Vertex Companies, Inc. The Owner's Project Manager will act as the Town's Agent and will advise the Building Committee. Moved by Ms. Salamoff and seconded by Mr. Connolly, the Board voted 5-0-0 in favor of awarding the contract to Vertex at the hourly rates as outlined in their fee proposal, with a budget not to exceed \$328,590.
3. **Deputy Town Administrator/Finance Director and Collector/Treasurer – Approval of CSX Rail Trail Land Acquisition BAN and Signing of Appropriate Paperwork:** Mr. Price and Mr. Townsend request a vote of the Board for approval of a General Obligation Bond Anticipation Note in the amount of \$2,960,000 for acquisition of rail trail land. Asked about the terms, Mr. Price explained that the Town, though allowed a borrowing term of 10 years, will repay the amount borrowed in less than one year. Mr. Mabardy inquired about the total interest at maturity and Mr. Price indicated it would be \$42,920 if paid back by December 8, 2017 but that the Town could prepay without penalty, which is the anticipated plan, thus lowering the amount of interest paid. Mr. Mabardy expressed concern that the burden of interest would be shouldered by the tax payers, and Mr. Connolly, though supportive of the project, recalled that the plan had been to require no money from the citizens, thus causing him to vote against the borrowing since he did not want to risk the tax payers bearing responsibility for the interest. Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 3-2-0 in favor of approving the sale of a \$2,960,000 General

Obligation Bond Anticipation Note dated December 8, 2016 and payable December 8, 2017 with accrued interest. Mr. Connolly and Mr. Mabardy cast the dissenting votes. Ms. Salamoff, Mr. Freedman, and Mr. Jennett signed the required documents in the presence of the Town Clerk, which the Town Clerk then certified.

4. **Josh Ostroff, CRT Advisory Committee Chair – Cochituate Rail Trail Naming Rights Concept**

Discussion: Mr. Ostroff explained that part of the agreement with CSX when the price was reduced was that there would be a non-cash consideration – an opportunity for naming rights or sponsorship – i.e., the CSX name would appear on the Rail Trail. The idea is that there would be a series of panels that would talk about the history of the Rail Trail and how the community thrived as a result of it. The panels would say something like “Presented by CSX” and would have to be approved by the Historical Society. The exhibits would be funded by CSX and there would be no cost to the Town. No vote is required of the Board but Mr. Ostroff wanted to be sure no one disagreed with the idea and took note of the general nods of assent among the Board Members.

TOWN ADMINISTRATOR NOTES

None.

SELECTMEN’S CONCERNS

Mr. Connolly talked about Conner Heffler, the little boy who recently passed away, and said he was a better person for having known him. He expressed admiration for the strength and courage of Connor’s family.

Ms. Salamoff said she was very impressed by the efforts of the Police and Fire Departments, as well as the Department of Public Works, in organizing Connor’s farewell on the day of his funeral.

Mr. Mabardy highlighted all the outpourings of love and support for Connor and his family, noting that Connor did more for this Town in his short life than people who have lived here forever.

Mr. Jennett echoed everyone’s thoughts. He expressed admiration and pride for both Connor and his family and asked that the community continue to offer its support.

Moved by Mr. Connolly and seconded by Ms. Salamoff, the Board voted 5-0-0 on a roll call vote to enter Executive Session at 7:10 PM, at the end of the Public Session, to discuss Real Property matters, noting that the Board would return to Public Session to adjourn but that it would not be televised.

ADJOURNMENT

The Board returned to the Public Session to adjourn the meeting. On a motion by Mr. Freedman, seconded by Mr. Connolly, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen’s Meeting at 7:40 p.m.

Richard P. Jennett, Jr., Clerk

December 5, 2016 Board of Selectmen Meeting Minutes Approved by the Board of Selectmen on April 2, 2018

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All documents used at this Board of Selectmen meeting are available at:

<https://naticktown.novusagenda.com/agendapublic/MeetingView.aspx?MeetingID=335&MinutesMeetingID=-1&doctype=Agenda>

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM – NATICK TOWN HALL

December 12, 2016/

6:00 PM

PRESENT: Chairman Richard P. Jennett, Jr., Vice Chair Nicholas S. Mabardy, Clerk Jonathan Freedman, John Connolly, and Susan G. Salamoff

ALSO PRESENT: Town Administrator Martha L. White and Executive Assistant Trish O'Neil

After calling the public meeting to order at 6:03 p.m., the Chair requested a motion to enter into Executive Session to Conduct Strategy Sessions in Preparations for Negotiations with Nonunion Personnel or to Conduct Collective Bargaining Sessions or Contract Negotiations with Nonunion Personnel, with the Chair announcing that discussion of Executive Session matters in Open Session would have a detrimental effect on the Board of Selectmen's negotiating position and the Town's interests. Mr. Connolly, seconded by Ms. Salamoff, moved to enter into Executive Session and, by a roll call vote, the Board voted 4-0-0 (Mr. Freedman had not yet arrived) in favor of the motion. The Board entered into Executive Session at 6:08 p.m., the Chair announcing that the meeting would return to Open Session at approximately 7:00 p.m.

Open Session resumed at 7:19 p.m. The Pledge of Allegiance was recited and a moment of silence was observed in recognition of those protecting our country.

ANNOUNCEMENTS

Mr. Mabardy remembered James Argir who passed away last Thursday as a tireless leader in Natick who started out as a lifeguard and a teacher at the Bennett-Hemenway School, went on to become a member of the Recreation & Parks Commission, and served for 34 years as a Town Meeting Member.

Ms. White announced that the Town is participating in the Coats for Kids Drive, noting that collection boxes can be found in the Town Hall, the two libraries, the Cole Recreation Center, and the Community-Senior Center. Coats are needed for people of all ages, not just children.

WHAT'S NEW

Mr. Marsette, Director of Public Works, announced a Complete Streets Grant awarded to the Town to install high visibility pedestrian crossings at five locations – East Central Street, Speen Street, Bowdoin Lane, Bacon Street, and Marion Street – in addition to a hybrid pedestrian traffic signal at the commuter rail station.

CITIZEN'S CONCERNS

None.

CONSENT AGENDA

The Chair asked if any members of the public or the Board would like to discuss any item on the consent agenda and no discussion was requested. Moved by Ms. Salamoff and seconded by Mr. Freedman, the Board voted unanimously to approve the Consent Agenda conditional upon fulfillment of all recommendations of Town Agencies and/or Departments. The following items were approved:

1. Change in Town Hall individual Selectmen office hours on first Thursday of every month from 6:30-7:30 p.m. to 6:00-7:00 p.m.
2. Chabad Center request to display Menorah on Town Common from 12/2/16-1/4/17
3. Parade permit for Strivers Running Club for Girls Fourth Annual Mothers' Day 5K on 5/14/17
4. Request for exemption from Town By-Laws Article 41, Section 4 for Robin Slattery (administrative assistant and building supervisor, winter basketball)

APPOINTMENTS WITH THE BOARD OF SELECTMEN

1. **School Superintendent – School Spacing/Enrollment Overview Presentation:** Peter Sanchioni gave a PowerPoint presentation related to enrollment, space needs, and class size, noting that enrollment projections continue to increase and that staffing has not kept up with the rising enrollment. The Bennett-Hemenway School is currently at capacity and will be overcrowded by 2019. The Wilson School is currently overcrowded, built for 850 students yet housing 1,000. The Kennedy Middle School, currently at capacity, is anticipated to be significantly overcrowded by 2019. Dr. Sanchioni stated that the School Department will be asking for the

Board's support for a ballot question in the spring of 2018 regarding the Kennedy School project and that this presentation demonstrates its necessity.

2. **Sustainability Coordinator – Aggregation Update:** Ms. Wilson Martin reminded the Board Members that they had approved the procurement of bids from suppliers on November 14th. The lowest bidder, NextEra Energy, was selected for a six-month contract at 9.65 cents per kWh, lower than the Eversource basic residential rate. The average resident will save approximately \$25 over the life of the six-month contract. Anyone with electric heat will save approximately \$420 over that time span. The new contract will start with the first meter read in January and will end with the first meter read in July. Asked by Ms. Salamoff for an update on solar panels, Ms. Wilson Martin said that they are going up now, should be completed by the end of the year, and will generate \$100,000 in savings every year. The solar canopies planned for the Community-Senior Center may be delayed.
3. **Leona Bessonova, Natick Resident – Consider Request to Display Peace Flags in Natick Center:** Dr. Bessonova is the Director of Clinical Epidemiology at a pharmaceutical company. She presented a petition with 124 signatures that proposed displaying peace flags along Central Street in front of the Town Hall and the Town Common. The Common Street Church has distributed approximately 1500 flags. Mr. Connolly, stating that he was in favor of peace, took issue with a statement in the letter that made reference to the recent election. Dr. Bessonova stated that the election seems to have sparked much negative rhetoric pertaining to many different groups of people, thus the reason it was mentioned and thus the reason to display a symbol of peace and tolerance and acceptance. Mr. Mabardy contended that the organization (specifying a particular website) from which the peace flags were purchased is a political group with a political agenda and that no flag should be equated with the American Flag. Dr. Bessonova indicated that the organization Mr. Mabardy mentioned is not the one from which the flags were purchased, that the flags were acquired through a manufacturer, and that the flags are in no way meant to be equated with the symbology of the American Flag. Mr. Freedman noted the Board's previous approval of an electronic peace sign to be displayed on the Common and expressed willingness to consider Dr. Bessonova's petition. Ms. Salamoff thought the Board should give its approval. Further discussion ensued among the Board Members, some worrying that it would set a precedent for any kind of flag, whether displaying a positive or a negative message, to be hung. The Board ultimately decided to defer the request for consideration at the January 17th meeting. Mr. Connolly recused himself from the meeting.
4. **Public Hearing – Renewal of 2016 Club Special Permits for 2017:** Mr. Freedman read the Public Hearing Notice aloud. Moved by Mr. Jennett and seconded by Mr. Freedman, the Board voted 4-0-0 to open the Public Hearing. Representatives were present from all of the clubs but for the Elks. After obtaining relevant background information and seeing no questions or commentary from the public, Mr. Mabardy moved, seconded by Mr. Freedman, to close the Public Hearing. The following Club Special Permits were approved, each by a vote of 4-0-0.
 - a. Natick Lodge #1425 of the Benevolent & Protective Order of Elks: On a motion by Mr. Mabardy, seconded by Ms. Salamoff
 - b. Francesco DeSanctis Lodge #1411: On a motion by Mr. Mabardy, seconded by Mr. Freedman
 - c. AmVets Post 79: On a motion by Mr. Mabardy, seconded by Ms. Salamoff
 - d. Veterans of Foreign Wars, Natick Post 1274: On a motion by Mr. Mabardy, seconded by Mr. Freedman
5. **Josh Ostroff, CRT Advisory Committee Chair and Transportation Advisory Committee Chair Pro Tem:**
 - a. Saxonville Branch Acquisition Update: Town Counsel will execute the closing on Wednesday.
 - b. CRT Interim Use Recommendation: Mr. Connolly rejoined the meeting. The Rail Trail Advisory Committee has made an interim use recommendation to allow public access between now and when construction starts in a couple of years with some exceptions, such as no vehicles, leashed pets, etc. and would like to have this recommendation taking up by the Safety Committee in January. Ms. Salamoff moved, seconded by Mr. Freedman, to refer the matter of interim access to the Safety Committee for their recommendations. The motion passed 5-0-0. Another recommendation is that no access be approved over the bridge across Route 9, necessitating the construction of barriers and fences, the cost for which will come from rail trail funds. Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 5-0-0 in favor of installing barriers and fences, restricting bridge access, with funding from CRT design monies in an amount not to exceed \$5,000.
 - c. MBTA Natick Center Station Update: Following discussion among the Board Members and a request by Mr. Ostroff, the following motion, made by Mr. Freedman and seconded by Ms. Ostroff, was approved 5-0-0: To authorize the Chair to enter into an agreement with the MBTA to install and maintain barriers to prevent public access to the Saxonville Branch right of way between Willow Street and the Natick Center MBTA Station, along with appropriate signage, provided that Natick Public Safety Departments and the Department of Public Works have approved access, and further provided that the MBTA and its authorized contractors are granted access over the Right of Way between Mechanic Street and the Natick Center MBTA Station for purposes of installing, maintaining, and improving storm water drainage systems and the general maintenance of the Natick Center Commuter Rail station and associated infrastructure.

DISCUSSION AND DECISION

6. **Complete the Street Acceptance Process for Heavey Way & Hunter's Lane:** The following will complete the street acceptance process for both streets.

- a. Approve and Sign Order of Taking for Heavey Way: Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 4-1-0 in favor, with Mr. Mabardy casting the dissenting vote.
- b. Approve and Sign Order of Taking for Hunter's Lane: Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 4-1-0 in favor, with Mr. Mabardy casting the dissenting vote.
- 7. **Approve 2017 License Renewals:** Moved by Mr. Freedman and seconded by Ms. Salamoff, the Board voted 5-0-0 in favor of approving the following license renewals contingent upon all requirements being fulfilled.
 - a. Lodging House (1)
 - b. Psychic Reader (1)
 - c. Class 1 (8), Class II (19), Class III (2)
 - d. Automatic Amusement (3)
 - e. Daily (9) and Sunday (3) Entertainment
 - f. Common Victualler (113)
- 8. **Consider Temporary Sign for Low-Hanging Wires at 4 Arlington Circle:** Mr. Freedman suggested two signs, one facing in each direction, and moved, seconded by Ms. Salamoff, that they be installed. The motion passed by a vote of 5-0-0.

TOWN ADMINISTRATOR NOTES

Ms. White stated that nomination papers for the March election are available in the Town Clerk's Office and that January 10th is the last day for submission.

SELECTMEN'S CONCERNS

Mr. Connolly requested a meeting pertaining to Camp Arrowhead with everyone who could potentially be involved. Ms. White stated that the DCR Commissioner called the Selectmen's Office while she was on vacation but they have not been able to connect since her return. Mr. Connolly stated he would like to have the Camp Arrowhead people all in one room to let them have their say.

ADJOURNMENT

On a motion by Mr. Freedman, seconded by Ms. Salamoff, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen's Meeting.

Richard P. Jennett, Jr., Clerk

December 12, 2016 Board of Selectmen Meeting Minutes Approved by the Board of Selectmen on April 2, 2018

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All documents used at this Board of Selectmen meeting are available at:
<https://naticktown.novusagenda.com/agendapublic/MeetingView.aspx?MeetingID=318&MinutesMeetingID=-1&doctype=Agenda>

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM – NATICK TOWN HALL

March 19, 2018

5:30 PM

PRESENT: Chairman Jonathan Freedman, Vice Chair Susan G. Salamoff, Clerk Richard P. Jennett, Jr., Michael J. Hickey, Jr., and Amy K. Mistrot

ALSO PRESENT: Acting Town Administrator Bill Chenard and Executive Assistant Trish O’Neil

After calling the public meeting to order at 5:40 p.m., noting that a quorum was present and that the meeting had been duly posted, the Chair requested a motion to enter into Executive Session to discuss matters pertaining to Litigation, Executive Session Minutes, and Trade Secrets or Confidential Proprietary Information Regarding Activities by a Government Body as Energy Supplier, Municipal Aggregator, or Energy Cooperative, with the Chair announcing that discussion of Executive Session matters in Open Session would have a detrimental effect on the Board of Selectmen’s negotiating position and the Town’s interests. Mr. Jennett, seconded by Mr. Hickey, moved to enter into Executive Session and, by a roll call vote, all Board Members voted in favor of the motion. The Board entered into Executive Session at 5:45 p.m., the Chair announcing that the meeting would return to Open Session at approximately 7:00 p.m.

Open Session reconvened at 7:12 p.m. The Pledge of Allegiance was recited and a moment of silence was observed for those protecting our country.

ANNOUNCEMENTS:

Mr. Freedman announced the selection of Melissa Malone as the new Town Administrator and provided relevant information regarding her previous work experience.

ASK THE TOWN:

Mr. Chenard provided voting locations by precinct, noting that this information, maps, and sample ballots are all online. He encouraged contact with the Town Clerk for any questions.

WHAT’S NEW

Randy Brewer, the Pegasus Station Manager, talked about multiple recent improvements to Natick cable, including new 24/7 live streaming capability accessible on any tablet, computer, laptop, or phone.

CITIZEN’S CONCERNS

Josh Ostroff of Precinct 6, a Town Meeting Member, commented that the Town sent out a required mailing explaining the text of certain proposed Charter changes that would be on next Tuesday’s ballot, questions 2-5. He explained that question 1 on the ballot regarding the debt exclusion was not included in the mailing simply because the Town is not allowed to follow the same process for a debt exclusion.

COMMITTEE/PROJECT UPDATES:

Camp Arrowhead Update: Meant to be a simple update on the demolition and restoration process at Camp Arrowhead following a 2016 fire, this topic was taken out of order due to overwhelming public concern regarding the cancellation of the annual, week-long “Big Res” overnight camp held in New Hampshire for the past 30 years. Jemma Lambert, Director of Community Services, and Karen Partanen, Recreation & Parks Director, cited multiple safety concerns around the structure and organization of the residential camp that

were deemed by Town Counsel to be a liability to the Town. Concerns were noted in three general areas: 1) the comingling of adults and children in the sleeping quarters, 2) the fact that the camp is shared with another camp and programs, and 3) the remote location of the camp, 20-25 minutes away from medical care, with only one land line and very poor cell phone service. It was thought prudent to replace the one-week, overnight camp with a two-week day camp experience for the same population that would typically participate in the residential program. Asked by Mr. Freedman if consideration was given to alternatives to mitigate the perceived risks, Ms. Lambert stated they obtained an opinion from Town Counsel only about the risks vs. benefits of the program. Mr. Hickey asked if any risk management was discussed at all or if there was any conversation with the Acting Town Administrator or the Recreation & Parks Commission. Ms. Partanen stated that the matter was discussed with the Recreation & Parks Commission, who offered their full support, agreeing that the risks were many and that it was probably time to discontinue the program, but no input was received from the Acting Town Administrator or other Town staff. Several members of the public spoke to the issue. Tim Luff, the Assistant Superintendent for Student Services for the School Department, spoke as a former 14-year volunteer and staff member at the camp, noting the impact the camp has had on children with disabilities in terms of building life skills and making great memories. He credited his tenure at Camp Arrowhead with giving him a path to follow and helping him to become a better person in general. Mr. Luff disagreed that a lengthy emergency response time was an issue and noted that nursing and lifeguard services are provided on site. He recommended that the Acting Town Administrator reinstitute the program and volunteered to assist in finding ways to mitigate any potential concerns. Jon Marshall spoke in his capacity as the former Director of Recreation & Parks, many-year volunteer at the camp, and leader in recreational programs, stating that Camp Arrowhead has always followed best practices, followed by an annual review of what may or may not have worked. He, too, recommended reconsideration and offered the services of many former volunteers, including himself, with years of expertise to find a way to make the camp better rather than eliminate it. Mr. Freedman noted that under the Town Charter, the Board of Selectmen is prohibited from exercising direct control over the day-to-day operations of the Town, so what programs are run is really an administrative decision. Acknowledging that there may be real concerns, Mr. Freedman asked to hear more about ways to mitigate them regardless of cost and regardless of liability. Mr. Chenard agreed that that was the right thing to do and agreed to gather more information, offering his email address to the public to write in with their concerns and suggestions. Mr. Jennett stated he felt it was the Board's responsibility to ensure that the public is heard and expressed disappointment that the program was eliminated without any public discussion, without input from the people it would affect, and without any discussion with the Board of Selectmen or Town Administration. Mr. Jennett asked to hear from people who had come to tonight's meeting. Several people spoke in favor of reinstating the camp, including a Ms. Rafferty from Holliston whose daughter, now grown, had participated in the overnight camp since the age of 10 and considered it the highlight of her life; Rosalyn Ferber of 16 Pumpkin Pine Road, the mother of a camper who referred to the camp as "the gem of the Recreation Department;" and Matt Frechette of 76 Rockland Street, a prior staff member at Camp Arrowhead, who offered complete support for the camp. Noting that a quorum of the Recreation & Parks Commission was present at this evening's meeting, Ms. Partanen stated that agreement had been reached to hold a Public Meeting next Monday night to solicit public input. An alert will be placed on the website about the time and location and Natick Pegasus will be asked to televise the meeting.

CONSENT AGENDA

The Chair asked if any members of the public or the Board would like to discuss any item on the consent agenda and no discussion was requested. Moved by Mr. Jennett and seconded by Ms. Salamoff, the Board voted unanimously to approve the Consent Agenda conditional upon the fulfillment of all recommendations from Town Agencies and/or Departments. The following items were approved:

1. Resignation of Anna Mancini from the Natick Historical Commission and thank you letter
2. Exemption from Town By-Laws Chapter 41, Section 4 for Elizabeth Fagan and Taylor Federico Grome
3. Authorization for Chair to sign a letter of support for a Bacon Free Library statutory change to Section 5 of Chapter 252 of the Acts of 1908
4. One-day entertainment permit for Warrior Thunder Foundation on 4/13/18
5. Request to occupy a public way by Wireless Construction, 3/22-3/23/18 (rain date: 3/26-3/27/18)

6. Request to occupy a public way by LeBelle Spa from 4/2-4/27/18
7. Bagging of parking meters on Election Day, 3/27/18
8. Weekly warrant reviews for 3/2/18 and 3/12/18
9. Meeting minutes for 2/26/18 and 3/5/18

APPOINTMENTS WITH THE BOARD OF SELECTMEN

1. **Nolan Palmer, Master Councilor – Proclamation for the International Supreme Council Order of DeMolay:** Mr. Jennett read aloud the proclamation from the Board of Selectmen recognizing the leadership and outreach work of the young men of the Order of DeMolay. Young Mr. Palmer thanked the Board and stated the Order is always available to perform civic service.
2. **Biryaniz n Breadz – Application for a Common Victualler's License:** Attorney Doug Stoddard spoke on behalf of the applicants, Karthik Birndavolu, Satya Pal, and Girish Damireddy, all men who grew up in southern India and have master's degrees in computer science. They will be taking over the Asia Bistro Restaurant. Their landlord was also present in support of their license. Also present was Attorney Arthur Pearlman who indicated that he will be handling their liquor license and will return to the Board for approval. Moved by Ms. Salamoff and seconded by Ms. Mistrot, the Board voted 5-0-0 in favor of approving the Common Victualler's License.
3. **Procurement Officer – Contracts:**
 - a. **Second Amendment to Natick 20/30 Master Plan:** Moved by Ms. Mistrot and seconded by Mr. Jennett, the Board voted 5-0-0 in favor of amending the contract with Crosby, Schlessinger, & Smallridge, LLC, removing the two-year term in Article 3 and replacing it with a three-year term, thereby extending the term of the contract to March 27, 2019. There will be no funding or cost implications.
 - b. **South Main Street Cleaning/Lining:** Moved by Mr. Jennett and seconded by Ms. Salamoff, the Board voted 5-0-0 in favor of awarding the contract to Biszko Contracting Corporation for the complete main bid work in the amount of \$746,162.07.
Funding: Account No 655403 580550 FY 2018 (Fall 2017) FATM Article 10
 - c. **Fuel Depot Replacement:** Moved by Mr. Jennett and seconded by Mr. Hickey, the Board voted 5-0-0 to award the contract to CommTank, Inc. for the complete main bid work in the amount of \$278,865.
Funding: 2016 Fall STM "Replace Fuel Depot Storage Tanks" \$196,000
MassDOT Chapter 90 Program \$82,865
4. **DPW Director – South Main Street – Modified Option #3:** Mr. Freedman reminded the Board that no substantial discussion about the South Main Street Reconstruction Project would take place this evening and that there will be a Public Meeting on March 28th when an in-depth discussion would take place with input from the public. Mr. Marsette explained that revised Alternative #3 will comply with the Complete Streets Policy, narrowing the proposed travel lines, providing bicycle accommodation, allowing for sidewalks on both sides of the street, setting back utility poles farther from the travel lanes, etc.

DISCUSSION AND DECISION

5. **Middlesex Parking Garage Update:** Present were Ted Fields, Community and Economic Development Senior Planner, and Brandon Schrenker of Walker Parking Consultants. Mr. Schrenker stated that a demand analysis has been completed that looked at field conditions and future development potential and an understanding has been gained of what the current demand is and what the future development could be. An environmental assessment has been done and there is a high probability that there will be contaminated soils on the site. Stakeholder interviews were done with opinions obtained about current parking and future parking needs. The next step is to look at the site itself, the possibility of purchasing adjacent sites, and the potential for mixed use. From there a dozen or so options will be whittled down to three of four, and then to two. Mr. Fields stated that a draft Existing Conditions report will be made available to the Board and on the website tomorrow. The objective is to have a draft report ready by June.

6. **Parking Advisory Staff Working Group**: Jamie Errickson, Director of Community & Economic Development, provided an outline of priorities, current and short-, medium-, and long-term, that the Working Group is considering. Some future plans will be dependent upon what happens when a parking garage is built. On March 27th and April 6th, workshops are going to be held to address signage in downtown Natick and parking plans will be a part of that. Mr. Freedman requested that the Board be kept up to date on the group's progress.
7. **Review of Fiscal Year 2019 Budget – Community Services**: This budget was discussed at a previous meeting.
8. **2018 Spring Annual Town Meeting Articles – 1, 10, 11, 12, 15, 16, 17, 20, 21, 22**: Jan D'Angelo, the Assessor, discussed Article 17, a recurring article that increases personal exemptions. FinCom voted Favorable Action. Ms. D'Angelo stated she is looking for continued support for this Article, which provides a uniform increase to personal exemptions for the elderly and disabled veterans. Moved by Ms. Mistrot and seconded by Ms. Salamoff, the Board voted 5-0-0 to recommend Favorable Action. Moved by Ms. Mistrot and seconded by Ms. Salamoff, the Board voted 5-0-0 to recommend Favorable Action on Articles 1, 10, 12, 15, and 16 and to recommend No Action on Article 11. Mr. Freedman stated that since Articles 20, 21, and 22 are sponsored by the Charter and By-Law Review Committee and no one was present to discuss them, no recommendation would be made.

TOWN ADMINISTRATOR NOTES

None.

SELECTMEN'S CONCERNS

None.

ADJOURNMENT

On a motion by Mr. Jennett, seconded by Ms. Mistrot, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen's Meeting at 9:56 p.m.

Richard P. Jennett, Jr., Clerk

March 19, 2018 Board of Selectmen Meeting Minutes Approved by the Board of Selectmen on April 2, 2018

po'n

All documents used at this Board of Selectmen meeting are available at:

<https://naticktown.novusagenda.com/agendapublic/MeetingView.aspx?MeetingID=502&MinutesMeetingID=-1&doctype=Agenda>

BOARD OF SELECTMEN – TOWN OF NATICK

MEETING MINUTES

EDWARD H. DLOTT MEETING ROOM-NATICK TOWN HALL

MARCH 28, 2018

6:00 PM

PRESENT: Chairman Jonathan Freedman, Vice Chair Susan G. Salamoff, Clerk Richard P. Jennett, Jr., Member Michael J. Hickey, Jr., and Member Amy K. Mistrot

ALSO PRESENT: Deputy Town Administrator /Director of Finance John Townsend, Senior Executive Assistant Donna Donovan

The Chairman called the meeting to order at 6:05 p.m.,

The Pledge of Allegiance was recited and a moment of silence was observed for those protecting our country.

Mr. Freedman thanked the newly elected candidates present for their time and commitment to the Town.

Town Clerk, Diane Packer administered the oath of office to the newly elected and re-elected officials.

DISCUSSION AND DECISION

1. Reorganization

Mr. Hickey nominated Ms. Mistrot as Chair of the Board. Ms. Salamoff seconded that nomination. The Board unanimously voted 5-0-0 to elect Ms. Mistrot as Chair of the Board.

Ms. Mistrot nominated Ms. Salamoff as Vice-Chair of the Board. Mr. Jennett seconded that nomination. The Board unanimously voted 5-0-0 to elect Ms. Salamoff as Vice-Chair of the Board.

Mr. Jennett nominated Mr. Hickey as Clerk of the Board. Ms. Mistrot seconded that nomination. The Board unanimously voted 5-0-0 to elect Mr. Hickey as Clerk of the Board.

ADJOURNMENT

On a motion by Ms. Mistrot, seconded by Mr. Jennett, the Board unanimously voted on a roll call vote to adjourn the Board of Selectmen's Meeting at 6:20 p.m.

Michael J. Hickey, Jr., Clerk

ITEM TITLE: Correspondence 4/2/18

ITEM SUMMARY:

ATTACHMENTS:

Description	Upload Date	Type
Correspondence 4/2/18	3/30/2018	Cover Memo

*Natick Fire Department Local 1707
Cordially invites you to their*

*Annual Dinner Dance
To honor the retirement of:*

*Chief Richard White
Deputy Chief Edward Connelly
Captain Rocco Franciose
Firefighter William Sticka*

*Saturday, May 19th 2018
Hampton Inn
Natick, MA*

*Cocktail Hour 6:30 PM – 7:30 PM
Dinner, Dancing and Music
7:30 PM – 11:30 PM*

*Kindly RSVP by May 5th, 2018
Chris Wozny
508-872-3938
EMT837046@aol.com*



Boston Athletic Association

185 DARTMOUTH STREET, 6th FLOOR, BOSTON, MASSACHUSETTS 02116
617.236.1652 www.baa.org

March 8, 2018

Mr. Richard Jennett Jr., Chair
Board of Selectmen
Town of Natick
13 East Central Street
Natick, MA 01760

COPY

Dear Mr. Jennett:

In furtherance of a letter sent on February 19, 2016, enclosed is a check in the amount of \$63,300 representing the Boston Athletic Association's (B.A.A.) contribution to the Town of Natick. These funds are in support of your efforts relative to the upcoming 122nd Boston Marathon to be held on Monday, April 16th.

Additionally, the Boston Athletic Association, through the support of our principal sponsor, John Hancock, continues to underwrite many of the significant expenses of logistical course support to the Marathon communities through planning and cooperation with the Massachusetts Executive office of Public Safety, and other federal, state, and local public safety agencies.

Once again, on behalf of the Boston Athletic Association, we thank you for your valued support and commitment to the B.A.A. and Boston Marathon and wish you every success on Patriots' Day weekend.

Sincerely,

Thomas S. Grilk
Chief Executive Officer

Encl: a/s

CC: Mr. William Chenard, Acting Town Administrator

SETTLEMENT WITH AG'S OFFICE TO FUND PROGRAMS THAT ADDRESS OPIOID EPIDEMIC

2 messages

Madden, Catherine (AGO) <Catherine.Madden@massmail.state.ma.us>
To: "Madden, Catherine (AGO)" <catherine.madden@state.ma.us>

Thu, Mar 29, 2018 at 2:59 PM

Dear Community Partners,

We deeply appreciate the tireless work you are doing every day to address the opioid epidemic in Massachusetts. Tackling this epidemic remains Attorney General Healey's top priority. We wanted to let you know that, last week, our office reached a \$5.5 million settlement with Walgreens to resolve claims that the pharmacy chain had been overcharging for prescription medications, including opioids. We will use some of these settlement funds to expand our statewide youth prevention education work, like Project Here and the Youth Opioid Prevention grants.

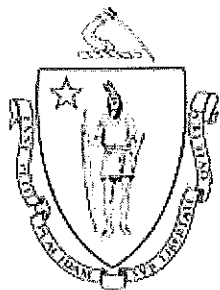
I've included a press release below with details about the settlement. If you have any questions, please don't hesitate to contact us.

Periodically, we will provide email updates on AG Healey's efforts to combat the opioid crisis. If you would prefer not to receive these emails, please let me know.

Thank you for your continued leadership and efforts to end this crisis.

Kind regards,

Catherine



MAURA HEALEY
ATTORNEY GENERAL

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200
(617) 727-4765 TTY
www.mass.gov/ago

FOR IMMEDIATE RELEASE

March 20, 2018

WALGREENS TO PAY \$5.5 MILLION OVER ALLEGED OVERCHARGES FOR PRESCRIPTION DRUGS

Pharmacy Overcharged for Drugs Covered by State Workers' Compensation System; Settlement with AG's Office to Fund Programs that Address Opioid Epidemic

BOSTON – Walgreens Co. has agreed to pay \$5.5 million after allegedly overcharging for prescription drugs covered by the state workers' compensation insurance system, Attorney General Maura Healey announced today.

"Our office found that over many years, Walgreens overcharged workers for various legitimate prescriptions," said AG Healey. "This settlement ensures that Walgreens does not profit from those transactions and will help our state's ongoing efforts to combat the opioid epidemic."

The settlement, filed in Suffolk Superior Court today, resolves allegations that between 2008 and 2017, Walgreens violated state consumer protection laws by overcharging for worker injury-related prescriptions under the Massachusetts Workers' Compensation system at various Walgreens pharmacies in Boston, New Bedford, Springfield, and Worcester, among others.

Pursuant to the settlement, Walgreens will pay a total value of \$5.5 million, which will include payments to the state.

The Massachusetts workers' compensation insurance system covers certain medical costs incurred by workers injured on the job, including prescription costs. According to a Workers' Compensation Insurance Research Institute (WCRI) study, 89 percent of the prescriptions paid for under the workers' compensation system in Massachusetts are for pain medications, and 73 percent of those were opioids.

The AG's settlement also requires Walgreens to implement procedures that will prevent future overcharges on opioids and other drugs under the workers' compensation system, and requires that Walgreens' future sales be subject to audit review by the AG's Office.

AG Healey previously reached settlements with Walgreens in 2017 and CVS in 2016 over their opioid dispensing practices, which required them to strengthen their policies and procedures. Those settlements also provided funding for the AG's Youth Opioid Prevention grant program designed to

support school-based prevention education initiatives to address opioid dependence and addiction in Massachusetts.

The AG's Office also reached workers' compensation system settlements with various other pharmacy chains, including Walmart, Target, CVS, and Rite-Aid, regarding allegations that they overcharged towns and cities for prescription drug coverage.

This matter was handled by Peter Leight, Burt Feinberg, and Glenn Kaplan, all of AG Healey's Insurance and Financial Services Division.

###

Catherine Madden

Project Manager

Executive Bureau

Office of Massachusetts Attorney General Maura Healey

One Ashburton Place, 20th Floor

Boston, MA 02108

617.963.2140 (landline)

617.366.9069 (mobile)

catherine.madden@state.ma.us

Jonathan Freedman <jfreedman@natickma.org>
To: Patricia O'Neil <poneil@natickma.org>, Donna Donovan <ddonovan@natickma.org>
Cc: Amy Mistrot <amistrot@natickma.org>

Thu, Mar 29, 2018 at 3:44 PM

For correspondence please.
[Quoted text hidden]

2 attachments



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

RECEIVED
BOSTON CITY
www.ago.state.ma.us

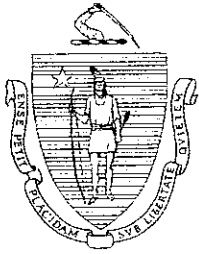
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THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

RECEIVED
BOSTON CITY
www.ago.state.ma.us

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THE GENERAL COURT OF MASSACHUSETTS
STATE HOUSE, BOSTON 02133-1053

March 26, 2018

Secretary Stephanie Pollack
Massachusetts Department of Transportation
10 Park Plaza, Suite 4160
Boston, MA 02116

Mr. Luis Ramirez, General Manager
Massachusetts Bay Transportation Authority
10 Park Plaza, Suite 3910
Boston, MA 02116

RE: Natick Center MBTA Station

Dear Secretary Pollack and General Manager Ramirez:

We are writing to strongly urge that construction funding for the Natick Center MBTA Station Accessibility Improvements Project be included in the FY 2019-2023 Capital Improvement Plan. Projects such as the Natick Center Station are why we as legislators have consistently supported the Administration's capital investment requests, which are well documented in the most recent CIP.

We appreciate the inclusion of design funding for this project in the current CIP, and are encouraged by the progress that has been made to date by MBTA staff, the design firm, and Town of Natick officials. We note the longstanding community support for this project, stemming from Town Meeting appropriation of funding for a Feasibility Study that has led to a point where we are finally poised for progress on this long-awaited regional priority.

As you know, this station is the busiest on the MBTA Commuter Rail network that is completely inaccessible to people with disabilities. This in itself is ample reason to replace it.

Of immediate concern, the condition of the current station is not just unwelcoming; it is unsafe. It is just a matter of time until the decaying stairs on the outbound platform fail, an emergency that may then trigger full reconstruction. Similarly, the buckling and uneven passenger platform on the inbound side is a serious tripping hazard to riders. Correcting this unsafe condition will also trigger a fully accessible reconstruction.

With a new station inevitable because of these dangerous conditions, it is prudent to budget for the necessary replacement. The alternative, closing the station, is unthinkable.

We appreciate the MBTA's cooperation with the Town in the design of this station, and note the Town's collaborative efforts in providing convenient construction access to the station over the recently acquired right of way for the future Cochituate Rail Trail, through an agreement with the MBTA initiated by the Town.

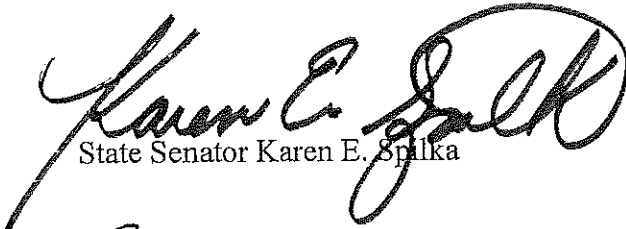
The station also advances several Baker-Polito Administration strategic priorities. This station and the CRT will provide enhanced transportation options for the regional workforce, which contributes so much to the state's economy. The station and the CRT will take cars off the road, reducing congestion and improving air quality. The ongoing investment in housing production in the vicinity of the station further justifies advancing this station to construction as quickly as possible.

To summarize, we believe that, given of the current station's inaccessibility and unsafe conditions, the many economic benefits of a replacement, and in the spirit of good faith partnership, we respectfully urge the prioritization of construction funding such that it may proceed immediately upon conclusion of the current design phase.

Sincerely,



State Representative David P. Linsky



State Senator Karen E. Spilka



State Senator Richard J. Ross

cc: US Representative Katherine M. Clark
Natick Board of Selectmen



March 2, 2018

Jonathan Freedman, Chair
Natick Board of Selectmen
13 East Central Street
Natick, MA 1760

Dear Mr. Freedman,

At its most recent meeting on February 28, 2018, the Board of Directors of the MetroWest Chamber of Commerce voted unanimously to oppose the proposed statewide ballot question that would impose nurse-patient staffing ratios at all hospitals in Massachusetts.

The proposal by the Massachusetts Nurses Association would impose rigid government-mandated staffing requirements at every hospital in Massachusetts, overriding the professional judgment of qualified local healthcare professionals. If this measure were to pass, nurses and patient care teams would lose the flexibility to make real-time decisions about patient care, even in life or death situations.

Massachusetts hospitals are known across their high quality of care and patient satisfaction. Allowing the government to second guess the professional judgment of dedicated professionals at the bedside would disrupt care and threaten that quality of care. In addition, we have seen no evidence or study that proves that such a proposal would improve the quality of care.

A mandate to hire many more nurses would also result in a significant increase in labor costs at hospitals, including MetroWest Medical Center. A recent study estimated that the increased staffing would cost MetroWest at least \$15.1 million more annually, endangering its continued operations. MWMC's Leonard Morse Hospital in Natick would be especially vulnerable, and could be forced to close.

Massachusetts families and businesses are already struggling to pay for healthcare, and this proposal will drive costs up even more. Higher costs will undoubtedly be felt across our state and regional healthcare systems. The additional costs will ultimately be passed on to families and local businesses in the form of higher insurance premiums, copays, deductibles, and taxes.

This mandate will also have a negative effect in care by dramatically increasing emergency room wait times and delay other life-saving care services. It would force hospitals to turn away patients or send them to other facilities, if the number of nurses on duty does not comply with the rigid government mandate.

Along with the Chamber, the proposal is opposed by a coalition of health care providers and professionals, including the Massachusetts Health and Hospital Association, the American Nurses Association of Massachusetts and the Organization of Nurse Leaders.

Healthcare treatment, staffing and overall procedure belong in the hands of industry professionals, not the government. We urge our members, elected officials and the public to join us in voting no on this rigid, expensive and unworkable mandate that threatens the future of community hospitals we rely on, including MetroWest Medical Center.

Sincerely,

Paul R. Joseph, President and CEO



Please join us on April 7th

Local Climate Leaders Summit

WHEN: Saturday, April 7, 1:00-3:30pm

WHERE: Durant-Kenrick House, 286 Waverley Ave, Newton, MA 02458

Food will be provided

Hosted by

The Massachusetts Sierra Club

Environmental League of Massachusetts

State Senator Cynthia Creem, State Senator Karen Spilka, & State Representative Sean Garballey



This event is exclusively open to municipal elected and appointed officials.

RSVP link: www.cleanenergymass.org/newton

Questions? Contact Jacob Stern at jacob.stern@sierraclub.org or (617) 413-5775.

Even though federal government is choosing to retreat from climate change, Massachusetts cities and towns are taking leadership for the most important challenge facing mankind. Sierra Club is looking for opportunities to empower local elected officials (Mayors, Town/City Councilors, Select Board members, elected Town Meeting Representatives, etc) to tackle the work that our national leaders are ignoring.

The main goals of this event are (1) to give you chances to learn more about the Massachusetts renewable energy landscape and (2) connect with officials in other communities. A presentation by Emily Norton, MA Sierra Club Chapter Director will cover current clean energy policies and advocacy around these issues.

Invited Communities

Arlington
Ashland
Belmont
Boston
Brookline
Cambridge
Dedham
Dover
Framingham

Franklin
Holliston
Hopkinton
Lexington
Lincoln
Medford
Medway
Natick
Needham

Newton
Sherborn
Somerville
Sudbury
Waltham
Watertown
Wellesley
Weston
Westwood



Scott Krohn
Senior Vice President and Treasurer

One Verizon Way
Basking Ridge, NJ 07920

March 26, 2018

The Honorable Board of Selectmen
13 East Central Street
Natick, MA 01760

Dear Board Members;

In accordance with the provisions of Massachusetts General Laws Chapter 166, Section 22D, Verizon-New England Telephone submits herewith the following data for the Town of Natick for the year 2017.

	<u>2017</u>
Amount Spent:	\$ 0
Purpose:	Engineering & Construction of Underground Facilities
Total Revenue:	\$ 13,255,400
Total Surcharge:	\$ 265,412

If you have any questions, please contact Stan Usovicz, Public Affairs Manager on 978-750-5656.

Sincerely,

Scott Krohn
Senior Vice President and Treasurer

Cc: Edward Gee
Stan Usovicz



March 8, 2018

Board of Selectmen
Town of Natick
13 East Central Street
Natick, MA 01760

Re: Xfinity TV Changes

Dear Chairman and Members of the Board:

As part of our continuing effort to keep you informed, I wanted to share with you the following Xfinity TV changes effective May 9, 2018.

The Weather Channel will only be available on the Sports Entertainment Package and new Sports & News tier; Cartoon Network will only be available on Digital Preferred and new Kids & Family tier; Disney Channel will only be available on Expanded Basic, Family Tier and Kids & Family tier; TruTV will only be available on Expanded Basic; Food Network will only be available on Expanded Basic, Family Tier, and new Entertainment tier.

On March 14th, OWN will only be available on Expanded Basic and Economy Plus Latino, and Starter Latino.

The following channels will be added to Digital Economy: BBC World News, Bloomberg, Hallmark Movies & Mysteries and Smithsonian.

Big Ten Network, NBC Sports Bay OOM, NBC Sports Chicago OOM, Outside TV and Sports Net-NY OOM will no longer be available.

Customers are receiving this information, in advance, via bill message.

If you have any questions, please do not hesitate to contact me at 508-647-1418.

Sincerely,

Greg Franks

Greg Franks, Sr. Manager
Government Affairs



March 9, 2018

Board of Selectmen
Town of Natick
13 East Central Street
Natick, MA 01760

Re: Annual Notice

Dear Chairman and Members of the Board:

In accordance with Massachusetts cable regulations (207 CMR 10.01(2) and 10.02(6)), enclosed is a copy of Comcast's policies and procedures, sample subscriber bill, work order and rate & channel line-up information for your community.

Should you have any questions, please do not hesitate to contact me at 508-647-1418.

Sincerely,

Greg Franks

Greg Franks, Sr. Manager
Government & Regulatory Affairs

Enclosures

RECEIVED

MAR 15 2018

BOARD OF SELECTMEN
NATICK, MA



X65688

Comcast Customer Privacy Notice For Cable Video, High-Speed Internet, Phone, and Home Security Services

Why is Comcast providing this notice to me?

As a subscriber to cable service or other services provided by Comcast, you are entitled under Section 631 of the federal Cable Communications Policy Act of 1984, as amended, (the "Cable Act") to know the following:

- the limitations imposed by the Cable Act upon cable operators in the collection and disclosure of personally identifiable information about subscribers;
- the nature of personally identifiable information we collect;
- the nature of the use of personally identifiable information;
- under what conditions and circumstances we may disclose personally identifiable information and to whom;
- the period during which we maintain personally identifiable information;
- the times and places at which you may have access to your personally identifiable information; and
- your rights under the Cable Act concerning personally identifiable information and its collection and disclosure.

Personally identifiable information is information that identifies a particular person; it does not include de-identified, anonymous, or aggregate data that does not identify a particular person or persons. This notice is also provided to you in accordance with applicable California law, which only applies to our customers located in California who are served by a cable television corporation.

In addition, Section 222 of the Communications Act of 1934, as amended, (the "Communications Act") provides additional privacy protections for certain information related to our phone and Internet services:

- information about the quantity, technical configuration, type, destination, location, and amount of your use of the phone and Internet services; and
- information contained on your bill concerning the type of phone and Internet services and features you receive.

That information is known as customer proprietary network information or CPNI for short. This notice, which includes our CPNI Policy, describes what CPNI information we obtain, how we protect it, and how it may be used. If you are a customer of our phone and Internet services, you have the right, and Comcast has a duty, under the Communications Act and applicable state law, to protect the confidentiality of CPNI. In addition, the FCC's rules provide additional privacy protections specific to our phone services that we describe in this notice.

We explain below under "**HOW DO I GIVE OR WITHHOLD MY APPROVAL FOR COMCAST TO USE CPNI TO MARKET ADDITIONAL PRODUCTS AND SERVICES TO ME?**" how you can approve our use of CPNI or withdraw your approval in the event Comcast decides to use CPNI for marketing purposes.

Special Note: Our CPNI Policy applies to the voice and Internet communications-related services provided by the applicable Comcast operating company that delivers those services to our customers.

In this notice, the terms "Comcast," "we," "us," or "our" refer to the operating company, subsidiaries or affiliates of Comcast Cable Communications, LLC that (i) owns and/or operates the cable television system in your area pursuant to a cable television franchise with the local franchising authority, or (ii) is the operating company that delivers voice services in your area. The term "you" refers to you as a subscriber to one or more of our cable service and other services.

I. Collection

What kind of information does this notice apply to?

The Cable Act applies to personally identifiable information that you have furnished to Comcast, or that Comcast has collected using the cable system, in connection with the provision of cable service or other services. The Communications Act applies to CPNI related to our regulated phone and Internet services, and certain orders of the Federal Communications Commission apply the CPNI rules to our interconnected voice over Internet protocol communications services.

Special Note: This notice only applies to our cable video service, our high-speed Internet service, our phone and communications services, and our home security service. It applies to you as a subscriber to one or more of these services as provided for by applicable law and except as otherwise noted. It does not cover information that may be collected through any other products, services, or websites, even if you access them through our cable services and even if they are co-branded with Comcast brands or the brands or logos of our affiliated companies. You should read the privacy policies for these other products, services, and



websites to learn how they handle your personal information. You can read the privacy policy for Comcast's web services at <http://xfinity.comcast.net/privacy/>.

For what purposes may Comcast collect personally identifiable information and CPNI?

The Cable Act authorizes Comcast as a cable operator to use the cable system to collect personally identifiable information concerning any subscriber for the following purposes:

- to obtain information necessary to render our cable service or other services to our subscribers; and
- to detect unauthorized reception of cable communications.

The Cable Act prohibits us from using the cable system to collect personally identifiable information concerning any subscriber for any purposes other than those listed above without the subscriber's prior written or electronic consent.

The Communications Act authorizes us to use, disclose, or permit access to individually identifiable CPNI in our provision of:

- the telecommunications services from which this information is derived; or
- services necessary to, or used in, the provision of these services, including the publishing of directories.

The Communications Act prohibits us from using CPNI for any purposes other than those listed above except as permitted or required by law or with your approval.

What kind of personally identifiable information and CPNI does Comcast collect?

Comcast collects information from you at several different points when you request, turn on, and use our services under an account we create for you. Some of this information is personally identifiable information, but much of it is not. We collect certain personally identifiable information that our subscribers furnish to us in connection with the provision of cable service or other services. In order to provide reliable, high quality service to you, we keep regular business records containing information about you that may constitute personally identifiable information. These account records include some, but typically not all, of the following information:

- your name;
- service address;
- billing address;
- e-mail address;
- telephone number;
- driver's license number;
- social security number;
- bank account number; and
- credit card number.

With respect to phone services, examples of CPNI include information typically available from telephone-related details on your monthly bill:

- location of service;
- technical configuration of service;
- type of service;
- quantity of service;
- amount of use of service; and
- calling patterns

CPNI does not include your name, address, and telephone number because the Communications Act classifies that information as "subscriber list information" which is not subject to the CPNI protections. However, that information is also subject to certain protections as described below under "To whom may Comcast disclose personally identifiable information?" The FCC has not yet adopted specific rules or definitions regarding CPNI as it relates to Internet access.

We also collect and maintain certain other information about your account. For example, this information may include:

- your account number;
- billing, payment, and deposit history;
- additional service information;
- customer correspondence and communications records;
- maintenance and complaint information;
- the device identifiers and network addresses of equipment used with your account;
- records indicating the number of television sets, set-top boxes, modems, telephones, home security and automation devices, or other devices connected to our cable system; and
- additional information about the service options you have chosen.

Some of our services permit you to establish secondary accounts, and if you do so we collect similar information in order to establish and service the secondary accounts. During the initial provisioning of our services, and during any subsequent changes or updates to our services, Comcast may collect technical information about your televisions, any set-top boxes, computer hardware and software, cable modems, telephones, other cable or other service-related devices, home security and automation devices, and customization settings and preferences. Additionally, if you rent your residence, we may have a record of whether landlord permission was required prior to installing our cable services as well as your landlord's name and address.

What kind of information does Comcast collect if I use cable video services?

When you use cable video services, our cable system automatically



generates information about your use of the services and their features, and we collect much of this information as part of providing services to you. For example, we receive information about the use of set-top boxes, remote controls, electronic program guides, video players, applications, and other devices and software connected to our cable system. This information includes which channels, programs, and advertisements are viewed and for how long, for example. It may also include information about navigation through program guides and applications, and use of devices like remote controls and tablets. Except as described below, we collect this *activity data* without names and addresses or other personally identifiable information and we consider it *de-identified data*.

Our system may collect activity data with personally identifiable information for particular requests or transactions like when you order a pay-per-view program or purchase a product. This information typically consists of account and billing-related information such as the programs or other products, services, or features ordered so that you may be properly billed for them. Follow your program guide commands or any special instructions on your screen when you make these transactional requests. These commands and instructions will explain your choices so that you can complete or cancel your requests as you wish.

What kind of information do you collect and use to improve your cable services and deliver relevant advertising?

Comcast's cable system, set-top boxes, and other equipment generate activity data that we collect and store. We use this information for a number of purposes including to determine which programs are most popular, how many people watch a program to its conclusion, and whether people are watching commercials. As described below under "How does Comcast use personally identifiable information and CPNI?" we may also provide information like subscriber lists or certain de-identified, anonymous, and/or aggregate information (such as activity data) to third parties working on our behalf -- such as audience measurement or market research firms. We, or these firms, working as our service providers, may combine this information with aggregated or non-aggregated demographic information (such as census records) and other audience attributes, such as purchasing data, demonstrated interests (for example, in sports programs or movies), loyalty programs, organizational affiliations, advertiser customer lists, and the like to provide us with audience analysis data. We require third parties working on our behalf to treat all information we provide as confidential and to use it only for Comcast's business purposes. We may also work with academic or research interest groups to analyze de-identified, anonymous, and/or aggregate information we provide to them for specific purposes or projects.

We use this information and analysis to improve our cable video service and other services and make programming and advertising more relevant to our subscribers. We may also use this information to distribute and deliver relevant programming and advertising to you without disclosing personally identifiable information about you to programmers or advertisers. In addition to this privacy notice, we may provide additional notices to you regarding specific advertising or other initiatives. These notices will describe the initiatives in greater detail and may, as appropriate, contain information you can use to choose to participate, or not participate, in these initiatives.

II. Use

How does Comcast use personally identifiable information and CPNI?

We collect, maintain, and use personally identifiable information and CPNI as permitted by the Cable Act and the Communications Act and other applicable laws. We use this information primarily to conduct business activities related to providing you with our cable service and other services, and to help us detect theft of service. Generally speaking, we use personally identifiable information in connection with:

- billing and invoicing;
- administration;
- surveys;
- collection of fees and charges;
- marketing;
- service delivery and customization;
- maintenance and operations;
- technical support;
- hardware and software upgrades; and
- fraud prevention.

More specifically, we also use personally identifiable information to:

- install, configure, operate, provide, support, and maintain our cable service and other services;
- confirm you are receiving the level(s) of service requested and are properly billed;
- identify you when changes are made to your account or services;
- make you aware of new products or services that may be of interest to you;
- understand the use of, and identify improvements to, our services;
- detect unauthorized reception, use, or abuse of our services;
- determine whether there are violations of any applicable policies and terms of service;
- manage the network supporting our services;



- configure cable service and other service-related devices; and
- comply with law.

The Communications Act further permits Comcast to use, disclose, and permit access to CPNI obtained from our customers, either directly or indirectly, to:

- initiate, render, bill, and collect for telecommunications services;
- protect our rights and property, and protect our users of these services and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, these services;
- provide any inbound telemarketing, referral, or administrative services to you for the duration of the call, if you initiated the call and you approve of the use of this information to provide these services; and
- to provide call location information concerning the user of a commercial mobile phone service.

Comcast may not use CPNI to market products and services to you other than enhancements to services you already have without your approval in accordance with our policies described below.

Comcast transmits, and may collect and store for a period of time, personally identifiable and non-personally identifiable information about you when you use our high-speed Internet and phone services to:

- send and receive e-mail, video mail, and instant messages;
- transfer and share files;
- make files accessible;
- visit websites;
- place or receive calls;
- leave and receive voice mail messages;
- use the applicable communications center or voice center;
- establish custom settings or preferences;
- communicate with us for support; or
- otherwise use the services and their features.

Comcast transmits, collects, and stores comparable information when you use our home security service. Our transmission, collection, and storage of this information is necessary to render the services. In certain situations, third-party service providers may transmit, collect, and store this information on our behalf to provide features of our services. These third parties are not permitted to use your personally identifiable information except for the purpose of providing these features.

How does Comcast use activity data and other data in connection with cable video service?

We associate activity data with particular devices such as set-

top boxes, portable devices, and other supported devices so that we know where to deliver the services and how to troubleshoot them. In general, Comcast uses de-identified and aggregate activity information to understand better how our customers use our products and services so that we can improve them, including by delivering more relevant content and advertising. We may try to determine how well our products and services deliver value to our customers, for example, by determining which programs are most popular, how many people watch a program to its conclusion, and whether and how often people are watching commercials. As discussed below, we may also combine activity data with other non-personally identifying demographic and similar information from our business records.

When we collect activity data, we may also use it to determine how many people view commercials (impressions) and to provide de-identified or aggregate reports to third-party advertisers. When we do this reporting on advertising impressions we do not provide any personally identifiable information about our subscribers to third-party advertisers. We, or our service providers, may combine de-identified activity data with other data to determine and report how an advertiser's messages are viewed, including on other platforms and services.

We may also use activity data to help us learn how popular certain programs are and how our customers as a whole generally prefer to view certain kinds of programming using cable video service (such as whether they like to watch certain programs live, or they prefer to view them when we offer them on demand, on mobile devices, or online). As described below, this may require us to compare or combine activity data on our cable system with online activity data. We may also use activity data to determine whether promoting content and services in certain ways helps attract a larger audience and more customers. While we may provide aggregate reports on these observations to programmers or others, we do not provide any personally identifiable information about our subscribers, or the activities of individual subscribers, to those programmers and others.

We may also use, or combine information about, your use of our cable services with other information we obtain from our business records (such as your Comcast account number or device identifiers), or from third parties, to deliver better and more relevant products, services and advertising. However, we do not store or share your activity data in association with your name or address, except as necessary to render or bill for our services. We may try to determine, using aggregated data, which groups of our customers use which of our products and services and how they use them. To do this we, or third parties working on our behalf, may combine demographic and other generally available information, or advertiser information, including purchasing data and membership in loyalty programs, with our subscriber lists.



From this information, we or our third party providers prepare de-identified and aggregated reports about how groups of customers with common characteristics – such as age and gender, or a demonstrated interest in a particular third party product – use our services and respond to the programming and advertising that we distribute. We may use this information to improve and communicate with you about our own products and services, and also to help us deliver relevant information and advertising on behalf of other companies and advertisers to certain subscriber groups – known as *ad groups* – who may be most interested in this information and advertising. When we do this, we do not share your personally identifiable information with these advertisers, unless you provide your express consent.

We may also combine personally identifiable information, which we collect as described in this notice as part of our regular business records, with personally identifiable information obtained from third parties for the purpose of creating an enhanced database or business records. We may use this database and these business records for marketing, advertising, and other activities related to our cable service and other services. We also maintain records of research concerning subscriber satisfaction and viewing habits, which are obtained from subscriber interviews, questionnaires, and surveys or panels.

How does Comcast use information about use of cable video services on other platforms like websites or mobile applications?

We may compare or combine information such as *activity data* we receive when you use cable video services to view content or advertising with information about your use of content and advertising that we deliver on other platforms, such as on our Xfinity websites and mobile applications. We may also compare or combine this information or data with that generated by your viewing of advertising placed or sold by Comcast on other websites and mobile applications. We do this to better understand, among other things, how our customers access and use our products and services in all of the places that we offer them.

III. Disclosure

Under what circumstances may Comcast disclose personally identifiable information to others?

Comcast considers the personally identifiable information contained in our business records to be confidential. The Cable Act authorizes Comcast as a cable operator to disclose personally identifiable information concerning any subscriber if the disclosure is:

- necessary to render, or conduct a legitimate business activity related to, the cable service or other services provided to the subscriber;

- required by law or legal process (described below under “When is Comcast required by law to disclose personally identifiable information and CPNI by law?”); or
- of the names and addresses of subscribers for “mailing list” or other purposes (subject to each subscriber’s right to prohibit or limit this disclosure and the CPNI Policy described below under “How do I place myself on Comcast’s ‘do not call’ and ‘do not mail’ lists?”).

The Cable Act prohibits us as a cable operator from disclosing personally identifiable information concerning any subscriber for any purposes other than those listed above without the subscriber’s prior written or electronic consent.

To whom may Comcast disclose personally identifiable information?

We may disclose personally identifiable information as provided for in the Cable Act when it is necessary to render, or conduct a legitimate business activity related to, the cable service or other services we provide to you. These kinds of disclosures typically involve billing and collections, administration, surveys, marketing, service delivery and customization, maintenance and operations, incident verification and response, service notifications, fraud prevention, and services to improve our programming and advertising offerings, for example. We may also collect, use, and disclose information about you in de-identified, anonymous, or aggregate formats, such as ratings surveys and service usage and other statistical reports, which do not personally identify you, your particular viewing habits, or the nature of any transaction you have made over the cable system. The frequency of any disclosure of personally identifiable information varies in accordance with our business needs and activities.

The Cable Act authorizes Comcast as a cable operator to disclose limited personally identifiable information to others, such as charities, marketing organizations, or other businesses, for cable or non-cable “mailing list” or other purposes. From time to time we may disclose your name and address for these purposes. However, you have the right to prohibit or limit this kind of disclosure by contacting us by telephone at 1-800-XFINITY or by sending us a written request as described below under “How do I contact Comcast?” Any “mailing list” and related disclosures that we may make are limited by the Cable Act to disclosures of subscriber names and addresses where the disclosures do not reveal, directly or indirectly, (i) the extent of any viewing or other use by the subscriber of a cable service or other service provided by us; or (ii) the nature of any transaction made by the subscriber over our cable system.

We may sometimes disclose personally identifiable information about you to our affiliates or to others who work for us. We



may also disclose personally identifiable information about you to outside auditors, professional advisors, service providers and vendors, potential business merger, acquisition, or sale partners, and regulators. We make these disclosures as provided for in the Cable Act. Typically, we make these disclosures when the disclosure is necessary to render, or conduct a legitimate business activity related to, the cable service or other services we provide to you. We may be required by law or legal process to disclose certain personally identifiable information about you to lawyers and parties in connection with litigation and to law enforcement personnel.

If we (or our parent company) enter into a merger, acquisition, or sale of all or a portion of our assets, subscribers' personally identifiable information will, in most instances, be one of the items transferred as part of the transaction. If this notice will be changed as a result of a transaction like that, you should refer below under "Will Comcast notify me if it changes this notice?"

We may also use or disclose personally identifiable information about you without your consent to protect our customers, employees, or property, in emergency situations, to enforce our rights under our terms of service and policies, in court or elsewhere, and as otherwise permitted by law.

When may Comcast disclose personal information to others in connection with phone service?

Comcast may disclose to others personally identifiable information in connection with features and services such as Caller ID, 911/E911, and directory services as follows:

- We may transmit your name and/or telephone number to be displayed on a Caller ID device unless you have elected to block such information. Please note that Caller ID blocking may not prevent the display of your name and/or telephone number when you dial certain business or emergency numbers, 911, 900 numbers, or toll-free 800, 888, 877, 866 or 855 numbers.
- We may provide your name, address, and telephone number to public safety authorities and their vendors for inclusion in E911 databases and records, inclusion in "reverse 911" systems, or to troubleshoot 911/E911 record errors.
- We may publish and distribute, or cause to be published and distributed, telephone directories in print, on the Internet, and on disks. Those telephone directories may include subscriber names, addresses, and telephone numbers, without restriction to their use.
- We may also make subscriber names, addresses, and telephone numbers available, or cause such subscriber information to be made available, through directory assistance operators.

- We may provide subscribers' names, addresses, and telephone numbers to unaffiliated directory publishers and directory assistance providers for their use in creating directories and offering directory assistance services.
- Once our subscribers' names, addresses, and telephone numbers appear in telephone directories or directory assistance, they may be sorted, packaged, repackaged and made available again in different formats by anyone.

We take reasonable precautions to ensure that non-published and unlisted numbers are not included in our telephone directories or directory assistance services, but we cannot guarantee that errors will never occur.

When is Comcast required to disclose personally identifiable information and CPNI by law?

We make every reasonable effort to protect subscriber privacy as described in this notice. Nevertheless, we may be required by law to disclose personally identifiable information or individually identifiable CPNI about a subscriber. These disclosures may be made with or without the subscriber's consent, and with or without notice, in compliance with the terms of valid legal process such as a subpoena, court order, or search warrant.

For subscribers to our cable video service, Comcast may be required as a cable operator to disclose personally identifiable information to a third-party or governmental entity in response to a court order. If the court order is sought by a non-governmental entity, we are required under the Cable Act to notify the subscriber of the court order. If the court order is sought by a governmental entity, the Cable Act requires that the cable subscriber be afforded the opportunity to appear and contest in a court proceeding relevant to the court order any claims made in support of the court order. At the proceeding, the Cable Act requires the governmental entity to offer clear and convincing evidence that the subject of the information is reasonably suspected of engaging in criminal activity and that the information sought would be material evidence in the case.

For subscribers to our high-speed Internet, phone, and home security services, Comcast may be required to disclose personally identifiable information and individually identifiable CPNI to a private third party in response to a court order, and, if so, we are required to notify the subscriber of the court order. Comcast may also be required to disclose personally identifiable information and individually identifiable CPNI about subscribers to high-speed Internet, phone, and home security services to a government entity in response to a subpoena, court order, or search warrant, for example. We are usually prohibited from notifying the subscriber of any disclosure of personally identifiable information to a government entity by the terms of the subpoena, court order, or search warrant.



How does Comcast protect personally identifiable information?

We follow industry-standard practices to take such actions as are necessary to prevent unauthorized access to personally identifiable information by a person other than the subscriber or us. However, we cannot guarantee that these practices will prevent every unauthorized attempt to access, use, or disclose personally identifiable information.

How long does Comcast maintain personally identifiable information?

Comcast maintains personally identifiable information about you in our regular business records while you are a subscriber to our cable service or other services. We also maintain this information for a period of time after you are no longer a subscriber if the information is necessary for the purposes for which it was collected or to satisfy legal requirements. These purposes typically include business, legal, or tax purposes. If these purposes no longer apply, we will destroy, de-identify, or anonymize the information according to our internal policies and procedures.

IV. Customer Access and Choice

How can I see my personally identifiable information or CPNI and correct it, if necessary?

You may examine and correct, if necessary, the personally identifiable information regarding you that is collected and maintained by Comcast in our regular business records. In most cases, the personally identifiable information contained in these records consists solely of billing and account information. We will correct our records if you make a reasonable showing that any of the personally identifiable information we have collected about you is inaccurate.

If you have Internet access, you can view and change certain information yourself by going to www.comcast.com/myaccount and signing in with your Comcast username and password to access the My Account feature. If you are a home security customer, you can go to the subscriber portal at www.xfinity.com/xhportal.

You may also examine the records containing your personally identifiable information at your local Comcast office upon reasonable prior notice to us and during our regular business hours. If you wish to examine these records, please contact us by mail or telephone at 1-800-XFINITY, giving us a reasonable period of time to locate and, if necessary, prepare the information for review, and to arrange an appointment. You will only be permitted to examine records that contain personally identifiable information about your account and no other account.

If you make an affirmative, written request for a copy of your CPNI, we will disclose the relevant information we have to you at your

account address of record, or to any person authorized by you, if we reasonably believe the request is valid. However, subscribers to our phone services should be aware that we generally do not provide them with records of any inbound or outbound calls or other records that we don't furnish in the ordinary course of business (for example, as part of a bill) or which are available only from our archives, without valid legal process such as a court order. In addition, we cannot correct any errors in customer names, addresses, or telephone numbers appearing in, or omitted from, our or our vendors' directory lists until the next available publication of those directory lists. Further, we may have no control over information appearing in the directory lists or directory assistance services of directory publishers or directory assistance providers that are not owned by our subsidiaries or us.

Comcast reserves the right to charge you for the reasonable cost of retrieving and photocopying any documents that you request.

How do I manage or opt out of uses of information about my Comcast account?

You may opt out of receiving more relevant advanced advertising delivered with programs made available through our cable video service by going to <http://www.comcast.com/adservices>. Even if you opt out, you will still receive advertising and we will continue to send you Comcast marketing messages based on the way you use our products and services and the information we have collected about you.

How do I give or withhold my approval for Comcast to use CPNI to market additional products and services to me?

Various direct and indirect subsidiaries and affiliates of Comcast Cable Communications, LLC offer many communications-related and non-communications related services, such as high-speed Internet and home security services. From time to time we may like to use the CPNI information we have on file to provide you with information about our communications-related products and services or special promotions. Our use of CPNI may also enhance our ability to offer products and services tailored to your specific needs. In addition, Comcast also offers various other services that are not related to the services to which you subscribe. Under the CPNI rules, some of those services, such as Comcast cable video services, are considered to be non-communications related products and services. Therefore, you may be asked during a telephone call with one of our representatives for your oral consent to Comcast's use of your CPNI for the purpose of providing you with an offer for communications related or non-communications related products and services. If you provide your oral consent for Comcast to do so, Comcast may use your CPNI only for the duration of that telephone call in order to offer you additional services.



If you deny or restrict your approval for us to use your CPNI, you will suffer no effect, now or in the future, on how we provide any services to which you subscribe.

How do I place myself on Comcast's "do not call" and "do not mail" lists?

You may contact Comcast at 1-800-XFINITY to ask us to put your name on our internal company "do not call" and "do not mail" lists so that you do not receive marketing or promotional telephone calls or postal mail from us or made at our request. You also have the right to prohibit or limit disclosure of your personally identifiable information for "mailing list" or other purposes as described above in this notice by contacting us at 1-800-XFINITY.

If you prefer to contact Comcast in writing instead of by telephone, you may send a written request to the address listed below under "How do I contact Comcast?" Be sure to include your name and address, your Comcast account number, and a daytime telephone number where you can be reached in the event we have any questions about your request. The person who is identified in our billing records as the subscriber should sign the written request. If you have a joint account, a request by one party will apply to the entire account. If you have multiple accounts, your notice must separately identify each account covered by the request.

What email communications will Comcast send to me and how do I manage them?

We may send a welcome email and sometimes other information to new subscribers to our cable service and other services (including each new secondary account holder, where applicable). We may also send service-related announcements to our subscribers from time to time. For example, we may send you an email announcement about a pricing change, a change in operating policies, a service appointment, or new features of one or more of the cable service or other services you receive from us. You may not opt-out of these service-related communications. If you fail to check your primary email address for service-related announcements, you may miss important information about our services, including legal notices, for example.

We reserve the right to send you promotional or commercial email as permitted by applicable law. You can manage the promotional or commercial emails Comcast may send to you by following the instructions contained in the emails or by going to the Web page located at www.comcast.com/preferences and following the directions there. We may ask for additional information on this preferences page such as your zip code, for example. By providing this additional information to us we will be able to better inform you of the availability of special offers and promotions in your area. If you no longer wish to receive these emails you may opt-out of receiving them by going to the same page and changing your contact preferences.

What can I do if I think my privacy rights have been violated?

If you believe that you have been aggrieved by any act of ours in violation of the Cable Act or other applicable laws, we encourage you to contact us directly as described below in "How do I contact Comcast?" in order to resolve your question or concern. You may also enforce the limitations imposed on us by the Cable Act as applicable with respect to your personally identifiable information through a civil lawsuit seeking damages, attorneys' fees, and litigation costs. Other rights and remedies may be available to you under federal or other applicable laws as well. This customer privacy notice neither supersedes nor modifies any arbitration agreement to which you may be bound relating to the provision of our cable video service, our high-speed Internet service, our phone and communications services, or our home security service to you as a subscriber to one or more of these services.

Will Comcast notify me if it changes this notice?

As required by the Cable Act, we will provide you with a copy of this customer privacy notice at the time we enter into an agreement to provide any cable service or other service to you, and annually afterwards, or as otherwise permitted by law. You can view the most current version of this notice by going to www.comcast.com/Corporate/Customers/Policies/CustomerPrivacy.html

We may modify this notice at any time. We will notify you of any material changes through written, electronic, or other means and as otherwise permitted by law. If you find the changes to this notice unacceptable, you have the right to cancel your service. If you continue to use the service following notice of the changes, we will deem that to be your acceptance of and consent to the changes in the revised privacy notice. This includes your consent for any personally identifiable information that we may collect and use starting on the effective date of the revised notice, as well as for any personally identifiable information that we have collected prior to the effective date of the revised notice. However, we will only deem your continued use of the service to be your acceptance of and consent to changes in the revised privacy notice for changes made after December 31, 2006.

How do I contact Comcast?

If you have any questions or suggestions regarding this privacy notice, or wish to contact us about your personal information, please reach us as follows:

Phone: 1-800-XFINITY
Website: <http://customer.comcast.com/contact-us>
Mail: Comcast Cable Communications, LLC
Attn: Law Department - Customer Privacy Notice
One Comcast Center
Philadelphia, PA 19103-2838

Revised and effective: November 8, 2016

IMPORTANT INFORMATION FOR XFINITY TV CUSTOMERS



SERVICE PROBLEMS

You will find helpful information for troubleshooting TV picture or signal quality issues at www.xfinity.com/support. If the problem does not clear up, please feel free to chat with us at www.xfinity.com/support/contact-us or call us at 1-800-XFINITY, and a customer service representative will attempt to address that issue. We will try to resolve any complaints you have concerning the quality of our signals promptly and efficiently. We will respond to your report of a service interruption no later than 24 hours after you notify us, except in extraordinary circumstances or where conditions are beyond our control. We will respond to your report of other service problems no later than the next business day after you notify us. We may need access to your home in order to correct a service related issue. If a service call is required it will be scheduled at a time convenient to you. If you are dissatisfied with our resolution of your service problem, you may contact your local franchising authority to discuss the problem with your service. If your local franchise authority information is not listed on your bill, please call us at 1-800-XFINITY for the name and address of your local franchising authority.

SERVICE OR BILLING COMPLAINTS

Information regarding your XFINITY services and billing is available through My Account at www.xfinity.com. You also may download the XFINITY My Account app to your smartphone or other device for quick access to up to date information on your account. If you have a complaint regarding your XFINITY TV service or your bill, you will find information on contacting us through chat or by phone at <https://www.xfinity.com/support/contact-us>. Also, you can visit us at one of our XFINITY store locations. Visit <https://www.xfinity.com/support/service-center-locations/> to find the XFINITY store closest to you. If you wish to put your comments in writing, your letter should be addressed to us at the local address listed on the How To Reach Us insert.

We will try to resolve your complaint promptly. If you are dissatisfied with our resolution of your complaint, or we are unable to resolve your complaint, you may contact your local franchising authority to discuss your complaint. If your local franchise authority information is not listed on your bill, please call us at 1-800-XFINITY for the name and address of your local franchising authority.

If you have a complaint regarding closed captioning please email us at accessibility@comcast.com or call us at 1-855-270-0379.

MOVING

Before you move, please call us at 1-800-XFINITY. This is the best way for us to arrange for your service to be disconnected and to schedule an installation at your new home, if your new home is in our service area.

EQUIPMENT COMPATIBILITY

XFINITY TV service is encrypted and requires a TV Box, TV Adapter, CableCARD or other navigation device that is compatible with our system for each television you wish to use with our service. You may not be able to use special features or functions of your television, VCR or DVD player/recorder with XFINITY TV service. Some of these problems may be resolved

by the use of signal splitters, and/or other supplemental equipment that can be purchased from us or at electronic stores. Please call us if you would like to discuss the type of special equipment needed to resolve individual compatibility problems or if you have any questions regarding other equipment compatibility issues.

If you have a TiVo digital cable-ready DVR, you can access switched digital video services by obtaining a "tuning adapter" device. If you have a TiVo DVR or other digital cable-ready devices, you will need a TV Box, TV Adapter, or CableCARD from us to access switched digital video and other two-way cable services. Upon your request, we will provide you with the technical parameters necessary for a navigation device rented or acquired from retail outlets to operate with our system. Because of the need to protect our XFINITY TV service, we will not authorize the use of a navigation device that does not conform to all required signal security specifications. For information regarding other navigation devices, please go to <https://www.xfinity.com/support>.

REMOTE CONTROL UNITS

If you rent a TV Box or TV Adapter from us we will provide a compatible remote control. Also, you may purchase compatible remotes at local electronic stores or other retail outlets. A representative list of compatible remote control models currently available from local retailers includes: Philips PHL PMDVR8, RCA RCR612, and Sony RM-V202. A list of additional compatible remotes may be obtained from your local XFINITY store. Although these remote control units are compatible with the TV Box or TV Adapter that we currently offer, these remotes may not be functional if we change the type of TV Box or TV Adapter we rent. If you have any questions regarding whether a particular remote control unit would be compatible with our equipment, please contact us.

SERVICE CHANGES AND INSTALLATION

Standard installations are generally completed within 7 business days. If you change the services you receive, you may be subject to an installation or change of service charge. You may obtain additional information about our current services, fees and prices online at www.xfinity.com or by calling us at 1-800-XFINITY.

OTHER INFORMATION

Information on upcoming programmer contract expirations can be found at www.xfinitytv.com/contractrenewals or by calling 866-216-8634.

For those of our customers receiving service through commercial accounts, bulk rate arrangements or similar arrangements, some of the policies, procedures and services herein may not apply. Please call us at 1-800-XFINITY to talk to one of our customer service representatives for further information.

SERVICE AREA

MA, NH & ME

PHONE NUMBERS**Billing/Repair**

1-800-COMCAST (266-2278)

New Services/Sales

1-800-COMCAST (266-2278)

After-Hours Repair

1-800-COMCAST (266-2278)

MAILING/OFFICE ADDRESS

Comcast

1 Comcast Center
Philadelphia, PA 19102

**PUBLIC INFORMATION OFFICES
FRANCHISE AUTHORITIES**

Consumer Division of
the Department of
Telecommunications and Cable
1-800-392-6066
1000 Washington Street, Suite 820
Boston, MA 02118

Office of the Attorney General
Consumer Protection and
Antitrust Bureau
33 Capital Street
Concord, NH 03301

Office of the Attorney General
Consumer Information and
Mediation Service
6 State House Station
August, ME 04333

Work Order

02/04/2018 12:31

Job Receipt (516082)

WoNum: [REDACTED]

Job Number: [REDACTED]

SchdDate: 02/04/2018

Account: [REDACTED]

Phone #: [REDACTED]

Customer: [REDACTED]

Address: [REDACTED]

Services:

Install Codes: \$39.99 2P TV-XI INS
 \$20.00 2P TV-XI INS
 \$0.00 1 TV INS \$0
 \$0.00 X1 FAILEDISK
 \$0.00 FSIK XI-XV

Tech: XXXX

Equip at Location: [REDACTED]

Equip Added:

Equip Removed:

Payments:

Deposits:

Cust Satisfaction:

This notice is required by the Rules of the Federal Communications Commission. Comcast Digital Voice service (CDV) may have the 911/E911 limitations listed below. I understand and agree to the following: In order for my 911 to be properly directed to emergency services, Comcast must have my correct service address. If I move CDV to a different address without Comcast's approval, 911 calls may be directed to the wrong emergency authority, may transmit the wrong address, and/or CDV (including 911) may fail altogether. CDV uses the electrical power in my home. If there is an electrical power outage, 911 calling may be interrupted if the battery back-up in the associated multimedia terminal adapter is not installed, fails or is exhausted after several hours. Calls, including calls to 911, may not be completed if there is a problem with the network facilities, including network congestion, network/equipment/power failure, or another technical problem. Prior to changing my address, or if I have any 911-related questions, I will call 1-800-Comcast. Comcast will need several business days to update my service address in the E911 system. USE OF CDV AFTER DELIVERY OF THIS DOCUMENT CONSTITUTES YOUR ACKNOWLEDGEMENT OF THE E911 NOTICE ABOVE. By signing below, I represent that I am at least 18 years old; I am the owner of, or tenant in, the premises at the above address and that the installation, repair or other work provided has been satisfactorily completed. If this work order relates to the initial installation of

services, I acknowledge receipt of the Comcast Welcome Kit which contains the Comcast Residential Customer Agreement, the Comcast Cable Subscriber Policy Notice and other important information about the services. I agree to be bound by the Comcast Customer Agreement which constitutes the agreement between Comcast and me for the services as well as any applicable Comcast acceptable use policies. If other non-installation work was provided, I agree to be bound by the current Comcast Customer Agreement as well as any applicable Comcast acceptable use policies. I authorize Comcast to obtain a credit report from a consumer credit agency in connection with the provision of the services I am receiving. IF I SUBSCRIBE TO COMCAST DIGITAL VOICE, I ACKNOWLEDGE MY RECEIPT AND UNDERSTANDING OF THE E911 NOTICE ABOVE.

Signature:




- SAMPLE -
Subscriber Bill

Account Number
Billing Date 02/08/18
Total Amount Due \$115.05
Payment Due By 02/22/18
Page 1 of 10

Contact us: @ xfinity.com/customersupport

For service at:

LAWRENCE MA 01843-3720

Thanks for choosing XFINITY from Comcast

With parental controls, you can choose and manage the programming that is right for your family. Learn more at: <http://parents.xfinity.com/tv/>

For quick and convenient ways to manage your account, view and pay your bill, please visit www.xfinity.com/myaccount

Monthly Statement Summary

Previous Balance	104.67
Payment - 01/20/18 - Thank You	-104.67
New Charges - see below	115.05
Total Amount Due	\$115.05
Payment Due By	02/22/18

New Charges Summary

TV	79.90
Add'l Products, Services & Equipment	15.94
Other Charges & Credits	14.75
Taxes, Surcharges & Fees	4.46
Total New Charges	\$115.05

Detach and enclose this coupon with your payment. Please write your account number on your check or money order. Do not send cash.



If undeliverable, please return to:

P.O. BOX 21828 EAGAN MN 55121-0828 NO

Account Number	
Payment Due By	02/22/18
Total Amount Due	\$115.05
Amount Enclosed	\$

Make checks payable to Comcast, and remit to address below

COMCAST
PO BOX 1577
NEWARK NJ 07101-1577



Service Details

Contact us: @ xfinity.com/customersupport

Account Number

Billing Date 02/08/18
Total Amount Due \$115.05
Payment Due By 02/22/18
Page 2 of 10

TV

Digital Starter	02/15 - 03/14	69.95
Includes Limited Basic, Expanded Basic With 1st TV Box And Remote.		
HD Technology Fee	02/15 - 03/14	9.95
Total TV		\$79.90

Add'l Products, Services & Equipment

Service To Additional TV	02/15 - 03/14	9.95
With TV Box And Remote		
Service To Additional TV	02/15 - 03/14	5.99
With TV Adapter		
Total Add'l Products, Services & Equipment		\$15.94

Other Charges & Credits

Broadcast TV Fee	8.00
Regional Sports Fee	6.75
Total Other Charges & Credits	\$14.75

Taxes, Surcharges & Fees

TV	
Franchise Fee	4.17
FCC Regulatory Fee	0.08
MA License Fees	0.19

Taxes, Surcharges & Fees, cont.

State Sales Tax	0.02
Total Taxes, Surcharges & Fees	\$4.46

Important Account Information

Please call Comcast at 1-800-934-6489 if you have any questions regarding the charges billed to your account. You have 120 days from the date of this bill to dispute any charges included on this bill.

For residential customers, if you are not satisfied with our resolution of a problem with your video service, or if you have a complaint regarding our video prices, you may contact the MA Department of Telecommunications and Cable Consumer Division, 1000 Washington St., Boston, MA 02118- 6500. Call 617-305-3531 or 800-392-6066 or email: consumer.complaints@state.ma.us. Local Franchising Authority: (the MA DTC at the above address). The FCC ID for your town is: MA0056.

Channel Lineup Change: Starting March 20th, Newsy will no longer be available on ch 1498, but will remain on Digital Preferred chs 125/1114.

Regional Sports Fee recovers a portion of the costs to transmit certain regional sports networks.

The Broadcast TV Fee recovers a portion of the cost of retransmitting television broadcast signals.

For closed captioning concerns and other accessibility issues affecting customers with disabilities, call 855-270-0379, go online for a live chat at <https://www.xfinity.com/support/account/accessibility-services> or email accessibility@comcast.com or write to Comcast 1701 John F. Kennedy Blvd., Philadelphia, PA 19103-2838. Attention: S. Adams, or fax: 1-866-599-4268.

Hearing/Speech Impaired call 711.

Your nearest XFINTITY Store:

Methuen XFINTITY Store - 70 Pleasant Valley Street,
M-Sat 9am-8pm, Sun 11am-4pm.



Service Details, cont.

Contact us: @ xfinity.com/customersupport

Important Account Information, cont.

Moving? Visit xfinity.com/moving today to help you stay connected to all of your XFINITY services.

Account Number

Billing Date	02/08/18
Total Amount Due	\$115.05
Payment Due By	02/22/18
	Page 3 of 10

IMPORTANT INFORMATION REGARDING YOUR XFINITY SERVICES AND RATES

Natick & Wellesley, MA

Effective December 20, 2017

TRIPLE PLAY PACKAGES

	Current	New
Starter XF Triple Play Bundle	\$148.49	\$153.49
Preferred XF Triple Play Bundle	\$161.49	\$166.49
HD Preferred XF Triple Play Bundle	\$171.49	\$176.49
HD Preferred Extra XF Triple Play Bundle	\$188.49	\$193.49
HD Premier XF Triple Play Bundle	\$216.49	\$221.49
HD Complete XF Triple Play Bundle	\$246.49	\$251.49
Economy Plus Latino Triple Play	\$135.99	\$140.99
Starter Latino Triple Play	\$143.49	\$148.49
Preferred Latino Triple Play	\$161.49	\$166.49
Preferred Extra Latino	\$171.49	\$176.49

DOUBLE PLAY PACKAGES

	Current	New
Internet Plus	\$82.95	\$85.95
Internet Pro Plus with HBO®	\$89.95	\$92.95
Internet Pro Plus with Showtime®	\$86.95	\$89.95
Internet Plus Latino	\$82.95	\$85.95

XFINITY® TV

	Current	New
Limited Basic	\$16.00	\$17.00
Broadcast TV Fee	\$7.00	\$8.00
Franchise Related Costs		
Wellesley	\$.13	\$.08
Expanded Basic	\$53.95	\$52.95
Regional Sports Fee	\$5.00	\$6.75
TV Box Limited Basic	\$1.00	\$2.50
HD TV Box Limited Basic	\$1.80	\$2.50
CableCARD (second card in same device)	\$.65	\$.80

INSTALLATION FEES (Effective 1/1/18)

	Current	New
Hourly Service Charge	\$35.20	\$40.00
In-Home Service Visit	\$36.95	\$40.00

XFINITY® Voice

	Current	New
Internet/Voice Equipment Rental	\$10.00	\$11.00

XFINITY® Internet

	Current	New
Performance Pro - XFINITY Internet Service Only	\$84.95	\$89.95
Performance Pro - with XFINITY TV or Voice Service	\$71.95	\$76.95
Blast! - XFINITY Internet Service Only	\$87.95	\$92.95

XFINITY® Internet Cont.

	Current	New
Blast! - with XFINITY TV or Voice Service	\$74.95	\$79.95
Performance Pro Speed Upgrade	\$10.00	\$15.00
Blast! Speed Upgrade	\$13.00	\$18.00
Extreme Pro Speed Upgrade	\$12.00	\$7.00
Gigabit Speed Upgrade	\$17.00	\$12.00
Gigabit Pro Speed Upgrade	\$225.00	\$220.00
Internet/Voice Equipment Rental	\$10.00	\$11.00



Services & Pricing

Effective January 1, 2018

1-800-XFINITY | xfinity.com

NATICK, MA

Wellesley, MA

BUNDLED PACKAGES^{1,2}

QUAD PLAY PACKAGES

QUAD PLAY PACKAGE PRICING BELOW IS ADDITIONAL TO TRIPLE PLAY PACKAGE PRICING

with Secure add ³	\$39.95
For SurePrice add ⁴	\$35.00

TRIPLE PLAY PACKAGES

Starter XF Triple Play Bundle

Includes Digital Starter for primary outlet, Performance Pro Internet and XFINITY Voice Unlimited	\$153.49
SurePrice⁵	\$124.99

Preferred XF Triple Play Bundle

Includes Digital Preferred for primary outlet, Performance Pro Internet and XFINITY Voice Unlimited	\$166.49
SurePrice⁵	\$144.99

HD Preferred XF Triple Play Bundle

Includes Digital Preferred and Starz [®] for primary outlet, HD Technology Fee, Performance Pro Internet and XFINITY Voice Unlimited	\$176.49
SurePrice⁵	\$154.99

HD Preferred Extra XF Triple Play Bundle

Includes Digital Preferred, Showtime [®] , Starz [®] , The Movie Channel [®] and Streampix for primary outlet, HD Technology Fee, Blast! Internet and XFINITY Voice Unlimited	\$193.49
SurePrice⁵	\$174.99

HD Premier XF Triple Play Bundle

Includes Digital Premier, Streampix and DVR Service or AnyRoom DVR Service for primary outlet, HD Technology Fee, Blast! Internet and XFINITY Voice Unlimited	\$221.49
SurePrice⁵	\$194.99

HD Complete XF Triple Play Bundle

Includes Digital Premier, Streampix, Sports Entertainment Package and DVR Service or AnyRoom DVR Service for primary outlet, Service to Additional TV on up to 3 TVs, HD Technology Fee, Blast! Internet, Internet/Voice Equipment Rental and XFINITY Voice Unlimited	\$251.49
SurePrice⁵	\$224.99

XFINITY LATINO TRIPLE PLAY PACKAGES

Economy Plus Latino Triple Play

Includes Economy Plus Latino TV for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited and Carefree Minutes Latin America 300.	\$140.99
SurePrice⁵	\$124.99

Starter Latino Triple Play

Includes Starter Latino TV for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited and Carefree Minutes Latin America 300.	\$148.49
SurePrice⁵	\$134.99

Preferred Latino Triple Play

Includes Digital Starter, Digital Preferred and XFINITY TV Latino for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited and Carefree Minutes Latin America 300.	\$166.49
SurePrice⁵	\$144.99

XF TRIPLE PLAY PACKAGE REWARDS / XFINITY LATINO TRIPLE PLAY PACKAGE REWARDS

	Regular Price	Starter XF, Starter Latino	Preferred XF, Preferred Latino	HD Preferred XF, Preferred Extra Latino	HD Preferred Extra XF	HD Premier XF ⁶	HD Complete XF ⁶
HBO [®]	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	Included	Included
Showtime [®]	\$12.00	\$12.00	\$12.00	\$12.00	Included	Included	Included
Starz [®]	\$12.00	\$12.00	\$12.00	Included	Included	Included	Included
Cinemax [®]	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	Included	Included
The Movie Channel [®]	\$12.00	\$12.00	\$12.00	\$12.00	Included	Included	Included
Sports Entertainment Package ⁸	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	Included
Streampix ²⁴	\$4.99	\$4.99	\$4.99	\$4.99	Included	Included	Included
DVR Service ⁹	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	Included	Included
AnyRoom DVR Service ¹⁰	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	Included	Included
Service to Additional TV ¹¹	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	\$9.95	Included for three additional TVs
HD Technology Fee ¹²	\$9.95	\$9.95	\$9.95	Included	Included	Included	Included
Blast! Speed Upgrade	\$79.95	\$18.00	\$18.00	\$18.00	Included	Included	Included
Extreme Pro Speed Upgrade ³⁵	\$99.95	\$25.00	\$25.00	\$25.00	\$7.00	\$7.00	\$7.00
Gigabit Speed Upgrade ³⁵	\$104.95	\$30.00	\$30.00	\$30.00	\$12.00	\$12.00	\$12.00
Gigabit Pro Speed Upgrade ^{35,36}	\$299.95	\$238.00	\$238.00	\$238.00	\$220.00	\$220.00	\$220.00

Refer to the last page for additional information. For information about XFINITY policies and terms of service, go to xfinity.com/policies.

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Preferred Extra Latino	
Includes Digital Starter, Digital Preferred, XFINITY TV Latino and Starz® for primary outlet, HD Technology Fee, Performance Pro Internet, XFINITY Voice Unlimited and Carefree Minutes Latin America 300.	\$176.49
SurePrice⁵	\$154.99

DOUBLE PLAY PACKAGES

Internet Plus	
Includes Limited Basic, HBO®, Streampix, TV Box and remote for primary outlet and Performance Internet	\$85.95
SurePrice⁵	\$64.99

Internet Pro Plus with HBO®	
Includes Digital Economy, HBO® and Streampix for primary outlet and Performance Pro Internet	\$92.95
SurePrice⁵	\$74.99

Internet Pro Plus with Showtime®	
Includes Digital Economy, Showtime® and Streampix for primary outlet and Performance Pro Internet	\$89.95
SurePrice⁵	\$74.99

Preferred XF Double Play	
Includes Digital Preferred for primary outlet and Performance Pro Internet	\$149.85
SurePrice⁵	\$109.99

Premier XF Double Play	
Includes Digital Premier for primary outlet and Performance Pro Internet	\$187.99
SurePrice⁵	\$139.99

XFINITY LATINO DOUBLE PLAY PACKAGES

Internet Plus Latino	
Includes Basic Latino TV, TV Box and remote for primary outlet and Performance Internet	\$85.95
SurePrice⁵	\$64.99

Economy Plus Latino Double Play	
Includes Economy Plus Latino TV for primary outlet and Performance Internet	\$111.90
SurePrice⁵	\$99.99

Starter Latino Double Play	
Includes Starter Latino TV for primary outlet and Performance Internet	\$131.90
SurePrice⁵	\$109.99

Preferred Latino Double Play	
Includes Digital Preferred and XFINITY TV Latino for primary outlet and Performance Pro Internet	\$167.80
SurePrice⁵	\$119.99

XFINITY TV¹

BASIC SERVICES

Limited Basic^{13,16}	\$17.00
Broadcast TV Fee (all areas)	\$8.00

Franchise Related Cost^{15,16}	
Natick	\$0.44
Wellesley	\$0.08
Expanded Basic¹⁴ Includes TV Box and remote for primary outlet	\$52.95

DIGITAL SERVICES

Digital Economy	
Includes Limited Basic, additional digital channels, TV Box and remote for primary outlet, access to Pay-Per-View and On Demand programming and Music Choice	\$39.95
With XFINITY Voice or Internet Service	\$37.95

Digital Starter¹⁷ Includes Limited Basic, Expanded Basic, MoviePlex, access to Pay-Per-View and On Demand programming and Music Choice	\$69.95
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Digital Preferred	
Includes Digital Starter and the Digital Preferred Tier	\$87.90

Digital Premier Includes Digital Preferred, HBO®, Showtime®, Starz®, Cinemax® and The Movie Channel®	\$134.90
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Basic Latino TV Includes Limited Basic, XFINITY TV Latino, TV Box and remote for primary outlet	\$27.95
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Economy Latino TV Includes Digital Economy and XFINITY TV Latino for primary outlet	\$41.95
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Economy Plus Latino TV Includes Economy Latino TV and additional digital channels for primary outlet	\$49.95
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Starter Latino TV Includes Economy Plus Latino TV and additional digital channels for primary outlet	\$69.95
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XFINITY TV SERVICES

HBO®⁷	\$15.00
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Showtime®⁷	\$12.00
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Starz®⁷	\$12.00
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Cinemax®⁷	\$12.00
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The Movie Channel®⁷	\$12.00
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Playboy®⁷	\$15.00
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Digital Preferred Tier¹⁹ Includes over 65 channels including CBS College Sports, Destination America, Disney XD, Encore and Science Channel	\$17.95
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Digital Preferred Tier plus One Premium Includes Digital Preferred Tier and choice of Showtime®, Starz®, Cinemax® or The Movie Channel®	\$29.95
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Digital Preferred Tier with HBO® Includes Digital Preferred Tier and HBO®	\$32.95
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Digital Premier Tier Includes Digital Preferred Tier, HBO®, Showtime®, Starz®, Cinemax® and The Movie Channel®	\$64.95
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Sports Entertainment Package⁸ Includes over 14 channels including NFL Red Zone and CBS Sports Network	\$9.95
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Family Tier¹⁸ Includes over 10 channels including C-SPAN, Discovery Family Channel, Food Network, HGTV, Universal Kids, National Geographic Channel and The Weather Channel	\$14.95
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HD Technology Fee¹²	\$9.95
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DVR Service⁹	\$10.00
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AnyRoom DVR Service¹⁰	\$10.00
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Service to Additional TV¹¹	\$9.95
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with DVR Service ⁹	\$19.95
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with AnyRoom DVR Service	\$19.95
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with AnyRoom DVR Service (client)	\$9.95
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with CableCARD ²⁰	\$7.45
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Service to Additional TV with TV Adapter²²	\$5.99
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INTERNATIONAL SELECTIONS⁷

Rai Italia (Italian)	\$9.99
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TV5 MONDE (French)	\$9.99
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CTI-Zhong Tian Channel (Chinese/Mandarin)	\$11.99
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RTN (Russian)	\$14.99
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Willow Plus (South Asian/Cricket Sport)	\$14.99
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Zee TV (South Asian)	\$14.99
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SIC International (Portuguese)	\$9.99
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TV Globo (Portuguese/Brazilian)	\$19.99
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PFC (Portuguese/Brazilian)	\$19.99
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TV Globo & PFC (Portuguese/Brazilian)	\$24.99
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Refer to the last page for additional information. For information about XFINITY policies and terms of service, go to xfinity.com/policies.

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PAY-PER-VIEW AND ON DEMAND SUBSCRIPTION SERVICES²¹

Eros Now On Demand	\$12.99
Eros Now On Demand w/a South Asian international selection	\$9.99
here! TV On Demand	\$7.99
The Jewish Channel On Demand	\$6.99
Disney Family Movies On Demand	\$5.99
Gaiam TV Fit & Yoga On Demand	\$6.99
Lifetime Movie Club On Demand	\$3.99
History Vault On Demand	\$4.99
Kidstream On Demand	\$4.99
Grokker Yoga Fitness On Demand	\$6.99
UP Faith and Family On Demand	\$4.99
Anime Network On Demand	\$6.99
Stingray Karaoke On Demand	\$6.99
DOGTV On Demand	\$4.99
Gaia On Demand	\$9.99
AMC Premiere On Demand	\$5.99
FX+ On Demand	\$5.99
Stingray Classica On Demand	\$6.99
Streampix ²⁴	\$4.99
Pay-Per-View and On Demand Movies and Events ²³ (per title or event)	Prices Vary
Vivid On Demand Subscription ²⁵	\$19.99
Hustler On Demand Subscription ²⁵	\$19.99
TEN On Demand Subscription ²⁵	\$19.99
Girlfriends Films On Demand ²⁵	\$19.99
Too Much for TV On Demand	\$14.99
Wicked On Demand ²⁵	\$19.99
Urban Fantasy On Demand ²⁵	\$19.99
Falcon On Demand ²⁵	\$19.99
Homegrown Amateur On Demand ²⁵	\$19.99
Evil Angel ²⁵	\$19.99
Mature Lust ²⁵	\$19.99

SPORTS PACKAGES²¹

MLB Extra Innings [®]	Call 1-800-XFINITY for pricing
NHL [®] Center Ice [®]	Call 1-800-XFINITY for pricing
NBA League Pass	Call 1-800-XFINITY for pricing

XFINITY TV EQUIPMENT

TV Box Limited Basic	\$2.50
TV Box	\$2.50
Remote	\$0.18
HD TV Box Limited Basic	\$2.50
TV Adapter (Limited Basic — Primary TV)	\$0.00
TV Adapter (Limited Basic — 1st and 2nd Additional TVs)	\$0.00
TV Adapter (Limited Basic — 3rd Additional TV)	\$0.50
CableCARD (first card in device)	\$0.00
CableCARD (second card in same device)	\$0.80

INSTALLATION

(PER OCCURRENCE UNLESS NOTED)	Initial Installation of Service	After Initial Installation of Service
Professional Installation ^{26,27}	\$79.99	N/A
Hourly Service Charge ²⁶ For Custom installation work	\$40.00	\$40.00
In-Home Service Charge ²⁸	N/A	\$40.00
XFINITY Internet Gigabit Pro Professional Installation (per occurrence)		\$500.00
Wireless Networking On-Site Professional Set-Up (Separate trip, per occurrence)		\$99.95
Wireless Networking On-Site Professional Set-Up (each additional device over 4 devices per occurrence)		\$29.95

REACTIVATION

(NO IN-HOME VISIT REQUIRED—PER OCCURRENCE UNLESS NOTED)	
Reactivation - TV	\$6.00
Reactivation - Internet	\$6.00
Reactivation - Voice	\$6.00

MISCELLANEOUS (PER OCCURRENCE UNLESS NOTED)

Customer-Owned Video Equipment Credit See www.comcast.com/equipmentpolicy for additional information	\$2.50
Regional Sports Fee ²⁹ (per month)	\$6.75
Service Protection Plan ³⁰ (per month) Optional plan that protects against charges for service visits to diagnose or repair In-Home Wiring that works with residential XFINITY TV, XFINITY Internet, or XFINITY Voice services. See xfinity.com/spp for terms.	\$5.95
Field Collection Charge Visit to customer's residence required to collect past due balance or unreturned equipment	\$30.00
Returned Payment Item (each)	\$20.00
Late Fee	5% of overdue balance
Agent Assisted Payment For payment made by phone with a Customer Care Representative	\$5.99
Unreturned or Damaged Equipment Fees ³¹ (per piece)	Replacement Cost
Self Install Kit Shipping and Handling (Standard Shipping)	\$15.00
Self Install Kit Shipping and Handling (Priority Shipping)	\$29.95
Accessory Shipping and Handling	\$5.95
TV Guide [®] Weekly Magazine (per month)	\$4.20

XFINITY VOICE^{1,32}

XFINITY Voice—Unlimited With TV and Internet Service	\$44.95
XFINITY Voice—Local with More With TV or Internet Service	\$39.95
	\$34.95
	\$24.95

CAREFREE MINUTES INTERNATIONAL CALLING PLANS

Carefree Minutes International Calling Plans are additional call plans to specific countries or international regions	
Carefree Minutes Latin America 300	\$9.95
Carefree Minutes World Select 300	\$9.95

OTHER CHARGES (PER MONTH UNLESS OTHERWISE INDICATED)

Voicemail	\$3.95
Additional Line with Calling Features	\$21.95

Refer to the last page for additional information. For information about XFINITY policies and terms of service, go to xfinity.com/policies.

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Additional Line without Calling Features	\$11.95
Internet/Voice Equipment Rental	\$11.00
Unreturned or Damaged Equipment Fees³¹ (per piece, per occurrence)	Replacement Cost

XFINITY INTERNET^{1,33}

	XFINITY Internet Service Only	with XFINITY TV or Voice Service
Performance Starter³⁴	\$49.95	\$49.95
Performance	\$74.95	\$61.95
Performance Pro	\$89.95	\$76.95
Blast!	\$92.95	\$79.95
Extreme Pro³⁵	\$99.95	\$86.95
Gigabit³⁵	\$104.95	\$91.95
Gigabit Pro^{35,36}	\$299.95	\$299.95
Internet/Voice Equipment Rental		\$11.00
Ciena 3931 Modem & Netgear Wireless Router Rental³⁷		\$19.95
Additional IP Address (first)		\$4.95
Additional IP Address (each additional, up to 3 additional)		\$9.00
Wireless Adapter (each, one-time charge)		\$30.00
Gigabit Pro Activation Fee (per occurrence)		\$500.00
Unreturned or Damaged Equipment Fees³¹ (per piece, per occurrence)		Replacement Cost

1 Certain services available separately or as a part of other levels of service. Comcast service is subject to Comcast's standard terms and conditions of service. Unless otherwise specified, prices shown are the monthly charge for the corresponding service, equipment or package. Prices shown do not include applicable taxes, franchise fees, FCC fees, Regulatory Recovery Fee, Public Access fees, other state or local fees or other applicable charges (e.g., per-call toll or international charges). Prices, services and features are subject to change. If you are an XFINITY TV customer and you own a compatible TV Box or CableCARD device, please call 1-800-XFINITY for pricing information or visit www.xfinity.com/equipmentpolicy. ©2017 Comcast. All rights reserved.

2 Requires Internet/Voice Equipment, except for the Complete Triple Play Packages.

3 XFINITY Home Secure requires 2 year agreement with early termination fee. Early termination fee applies if all XFINITY services are terminated during the agreement term. For additional information go to www.xfinity.com/home.

4 SurePrice only available for 12 months to Quad Play customers with Starter XF Triple Play, Preferred XF Triple Play, HD Preferred XF Triple Play and HD Preferred Extra XF Triple Play customers after 12 month promotional pricing with 12 month contract. SurePrice only available for 12 months to Quad Play customers with HD Premier XF Triple Play and HD Complete XF Triple Play customers after 24 month promotional pricing with 24 month contract.

5 SurePrice only available to qualifying 12 month promotional packages.

6 AnyRoom DVR Service is included with HD Premier XF Triple Play and HD Complete XF Triple Play if AnyRoom DVR Service is installed on primary outlet.

7 Requires TV Box or CableCARD and Limited Basic.

8 Requires Digital Starter.

9 Requires HD Technology Fee. Service to Additional TV required for DVR Service on additional TVs. Not available to customers with Limited Basic only.

10 Sold only with Service to Additional TV for up to 3 TVs, maximum 3 clients per household. Requires HD Technology Fee and professional installation. Not available to customers with Limited Basic only.

11 Not available to Limited Basic only customers. Digital service tier on additional TV corresponds to digital service tier on primary outlet.

12 Not available to customers with Limited Basic only. Must subscribe to HD Technology Fee to receive HD programming.

13 Requires TV Adapter, CableCARD or TV Box.

14 Requires Limited Basic.

15 Franchise Related Costs are costs associated with providing public, educational and/or government access facilities and equipment and/or other related costs in your community.

16 For Natick customers: Discount of 10% off of Limited Basic (including discount on Broadcast TV Fee and FRC) available to seniors who qualify for discount. Age and income restrictions apply. Call 1-800-XFINITY for more information.

17 For Wellesley customers: Discount of \$2.00 off of Digital Starter available to seniors who qualify for discount. Age and income restrictions apply. Call 1-800-XFINITY for more information.

18 Requires TV Box and Limited Basic and cannot be combined with Expanded Basic. Family Tier programming included in Digital Services except for XFINITY TV Latino.

19 Requires Digital Starter or Starter Latino TV.

20 Not available to customers with Limited Basic only. Includes a customer-owned video equipment credit. An additional charge will apply for additional CableCARDS in the same device.

21 Requires TV Box and Limited Basic. Subscription can be billed at once or in 4 total payments. Restrictions may apply.

22 Includes TV Adapter and remote. Digital service tier on additional TV corresponds to digital service tier on primary outlet. Does not include access to On Demand content, premium channels or channel numbers above 1000 unless otherwise noted on the channel lineup. Not available to customers with Limited Basic only.

23 Price of Pay-Per-View and On Demand Movie or Event is displayed prior to the completion of the Pay-Per-View or On Demand ordering process.

24 Requires TV Box and Limited Basic to receive Streampix on television. Requires HD Technology Fee to receive HD programming. Streaming to iOS device requires XFINITY TV app. Internet service with bandwidth of at least 600 Kbps and a subscription to Limited Basic. Streaming to laptop/computer requires equipment meeting minimum requirements posted at <https://www.xfinity.com/support/internet/requirements-to-run-xfinity-internet-service/>. Internet service with bandwidth of at least 600Kbps and a subscription to Limited Basic.

25 Requires Limited Basic and TV Box. Not available in all areas.

26 Standard installations include installations up to 125 feet from existing Comcast plant, unless noted differently in the local franchise agreement. Custom installations include installations which require in-wall wiring or installations in extensive drop ceilings, basements, or crawl spaces.

27 Includes standard installation of XFINITY TV, XFINITY Internet and/or XFINITY Voice and installation of additional outlets and wireless networking set-up if requested at time order is placed. Does not include installations of XFINITY Home or XFINITY Gigabit Pro Internet.

28 Applies to installation, relocation and activation of additional outlets as well upgrade/downgrades of service after initial installation of service and in-home visits not covered under Service Protection Plan. Does not cover installation or in-home visits for XFINITY Home.

29 Applies to XFINITY TV Digital Starter and above and Starter Latino TV.

30 See <http://www.xfinity.com/spp> for information on Service Protection Plan.

31 Contact 1-800-XFINITY for questions regarding equipment replacement charges.

32 Requires Internet/Voice Equipment. Unlimited Local and Long Distance package pricing applies only to direct dialed calls from home to locations included in the plan. Plans do not include other international calls. For more information regarding XFINITY Voice pricing go to <http://www.xfinity.com/corporate/about/phoneterms/service/comcastdigitalvoice/cdrslatepricing.html>.

33 Internet/Voice Equipment required. For more information regarding XFINITY Internet go to <http://www.xfinity.com/internet-service.html>.

34 Download speed up to 10 Mbps and upload speed up to 2 Mbps. Many factors affect speed. Actual speeds may vary and are not guaranteed.

35 Not available in all areas. May require installation and non-refundable installation charge.

36 Requires 2 year contract. Monthly rental of Gigabit Pro compatible cable modem/router additional. Activation and professional installation fees additional. Gigabit Pro does not qualify for Comcast 30-day money back guarantee.

37 Requires Gigabit Pro.

XFINITY Home License Numbers:

AL: 001484; AR: 001504; AZ: ROC 280515, BTR 18287-0; CA: CSLB 974291, ACO 7118; CT: ELC 0189754-C5; DE: FAL-0299, FAC-0293, SSPS 11-123; FL: EF0000921, EF20001002, EF0001095; GA: LVU406303, LVU406264, LVU406190, LVU406354; IL: PACA 127-001503; LA: F1691; MA: SS-001968; MD: 107-1776; ME: LM50017039; MI: 3601206217; MN: TS674412; NC: 2335-CSA, 29443-SP-FALV; NJ: Burglar and Fire Alarm Business Lic. # 348F00047700; NM: 373379; NY: licensed by the N.Y.S. Department of State 12000305421; OH: LIC# 53-89-1732; OR: CCB 192945; SC: BAC-13497, FAC-13440; TN: ACL 1597, ACL 1604; TX: ACR-1672104-1818, B16922, B02571; UT: 8226921-6501; VA: 2705145289, DCJS 11-7361; VT: ES-02366; WA: COMCABS892DS; WASHINGTON, DC: ECS 902687, BBL 602512000005; WV: WV049211.

MS: 15018010

Valid 4/19/17. See www.xfinity.com/home-security for current list.

Channel Lineup

EFFECTIVE JANUARY 4, 2018

1-800-XFINITY | xfinity.com

Needham, MA

Natick, Newton, Watertown, Wayland, Wellesley & Weston, MA

LIMITED BASIC

2 WGBH (PBS)
3 HSN
4 WBZ (CBS)
5 WCVB (ABC)
6 NECN
7 WHDH
8 Public Access
9 Educational Access
10 WBTS (NBC)
12 WLVI (CW)
13 WFXT (FOX)
14 WSBK (MyTV)
15 WBPX (ION)
16 WGBX (PBS)
17 WUTF (UMAS)
18,1050 WBIN (IND)
19 WNEU (TEL)
20 WMFP (IND)
21 WUTF (UNV)
22 WSBE (PBS)
23,1058 WYDN (DAY)
25,1032 Jewelry TV
44,1128 C-SPAN
58 QVC
81 WWDP (IND)
99 Government Access
183,1067 Jewelry FL
184,640 Xfinity Latino
Entertainment Channel
229,1661 TBN
247,1129 C-SPAN2
268,1669 CatholicTV
283,1097 Leased Access
721,981,1024 WFXZ-CD
(AZT)
724,986,1196 WUTF LATV
791,1034 QVC HD
801,1044 WGBX HD (PBS)
802,1002 WGBH HD (PBS)
803,1068 WBPX HD (ION)
804,1004 WBZ HD (CBS)
805,1005 WCVB HD (ABC)
806,1025 WFXT HD (FOX)
807,1007 WHDH HD
808,1056 WLVI HD (CW)
810,1010 WBTS HD (NBC)
813,1062 WMFP HD (IND)
814,1038 WSBK HD (MyTV)
815,1060 WNEU HD (TEL)
816,1066 WUNI HD (UMAS)
817,1027 WUTF HD (UNV)
818,1046 WWDP HD (IND)

819,1036 WSBE HD (PBS)
840,1127 NECN HD
906,1015 HSN HD
930,1168 WBZ Decades
935,1171 WBTS-CoziTV
936,1176 WHDH ThisTV
939,1179 WLVI BuzzR
942,1182 WCVB MeTV
948,1188 WFXT-Escape
949,1189 WFXT Laff TV
956,1160 WGBH World (PBS)
958,1161 WGBX Kids (PBS)
959,1162 WGBX Create
(PBS)
965,1164 WSBE Learn (PBS)
983,1193 WNEU TeleXitos

EXPANDED BASIC

(DIGITAL STARTER INCLUDES
LIMITED BASIC AND EXPANDED
BASIC)

26,208 Hallmark Channel
27 Disney Channel
28 MTV
29 VH1
30 FX
31 TBS
32 HGTV
33 TNT
34 E!
35 USA Network
36 Lifetime
37 A&E
38 TLC
39 Discovery
40,186 truTV
41 FOX News Channel
42 CNN
43 HLN
45 Bloomberg TV
46 CNBC
47 The Weather Channel
48 Freeform
49 ESPN
50 ESPN2
51 NESN
52 NBC Sports Boston
53,251 MSNBC
54 Nickelodeon
56,238,1668 EWTN
57 Bravo
59 AMC
60 Cartoon Network

61 Comedy Central
62 Syfy
63 Animal Planet
64,1426 TV Land
65 NBC Sports Network
66 Food Network
67 Travel Channel
69 Golf Channel
71 HISTORY
83,234,1655 INSP
84 NESN+
85,1256 NBC Sports
Boston Overflow
88,1049 HSN2
97 BET
124,1420 WGN America
199 Hallmark Movies &
Mysteries
200,1757 MoviePlex
210 National Geographic
Channel
214 TV One
215 WE tv
216 Oxygen
218 Universal Kids
235 UP
241 BBC America
249,1130 C-SPAN3
250 FOX Sports 1
252 Investigation
Discovery
256 FXX
265,715 NFL Network
267,1425 GSN
270 LMN
284 FOX Business Network
784,1488 Travel
Channel HD
788,1456 LMN HD
789,1123 FOX Business
Network HD
790,1459 Hallmark Movies
& Mysteries HD
794,1463 Bravo HD
795,1121 CNBC HD
799,1428 WE tv HD
821,1473 National
Geographic HD
823,1449 Discovery HD
824,1715 Disney
Channel HD
825,1728 Nickelodeon HD
826,1742 Freeform HD

827,1606 MTV HD
828,1612 MTV Live HD
829,1607 VH1 HD
830,1409 FX HD
831,1434 TBS HD
832,1492 HGTV HD
833,1404 TNT HD
834,1466 E! HD
835,1403 USA Network HD
836,1455 Lifetime HD
837,1402 A&E HD
839,1243 Velocity HD
841,1110 FOX News
Channel HD
842,1111 CNN HD
843,1112 HLN HD
844,1122 Bloomberg TV HD
847,1102 The Weather
Channel HD
848,1223 Golf Channel HD
849,1205 ESPN HD
850,1206 ESPN2 HD
851,1250 NESN HD
852,1251 NBC Sports
Boston HD
853,1215 NFL Network HD
854,1484 Food Network HD
858,1435 Comedy
Central HD
859,1405 AMC HD
860,1734 Cartoon
Network HD
862,1411 Syfy HD
863,1471 Animal Planet HD
865,1207 NBC Sports
Network HD
867,1450 TLC HD
872,1478 HISTORY HD
894,1255 NESN+ HD
901,1113 MSNBC HD
902,1430 truTV HD
905,1625 BET HD
907,1458 Hallmark
Channel HD
908,1457 UP HD
909,1444 Investigation
Discovery HD
912,1626 TV One HD
920,1418 BBC America HD
921,1465 Oxygen HD
924,1410 FXX HD
925,1208 FOX Sports 1 HD

927,1707 Universal
Kids HD

DIGITAL ECONOMY (INCLUDES LIMITED BASIC)

26,208 Hallmark Channel
27 Disney Channel
34 E!
35 USA Network
36 Lifetime
37 A&E
39 Discovery
40,186 truTV
41 FOX News Channel
42 CNN
47 The Weather Channel
56,238,1668 EWTN
59 AMC
60 Cartoon Network
61 Comedy Central
63 Animal Planet
64,1426 TV Land
66 Food Network
71 HISTORY
97 BET
123,1627 ASPIRE
256 FXX
823,1449 Discovery HD
824,1715 Disney
Channel HD
834,1466 E! HD
835,1403 USA Network HD
836,1455 Lifetime HD
837,1402 A&E HD
841,1110 FOX News
Channel HD
842,1111 CNN HD
847,1102 The Weather
Channel HD
854,1484 Food Network HD
858,1435 Comedy
Central HD
859,1405 AMC HD
860,1734 Cartoon
Network HD
863,1471 Animal Planet HD
872,1478 HISTORY HD
902,1430 truTV HD
905,1625 BET HD
907,1458 Hallmark
Channel HD
924,1410 FXX HD

DIGITAL PREFERRED
(INCLUDES DIGITAL STARTER)

55 Spike
123,1627 ASPIRE
125,1114,1498 Newsy Live
137 SEC Network
138,1322 SEC Network
Overflow
176 Ovation
182,1427 POP
187,1637 Revolt
190,1117 BBC World News
191,1709 BabyFirst
Americas
193,1477 Smithsonian
Channel
196,1685 Jewish Life
Television (JLTV)
197,1741 STARZ ENCORE
Family
198,1429 ReelzChannel
201,1440 SundanceTV East
202,366,1771 FLIX East
203,1775 STARZ ENCORE
Action East
204,1779 STARZ ENCORE
Classic East
205,1782 STARZ ENCORE
Suspense East
206,1758 IndiePlex
207,1784 STARZ ENCORE
Westerns East
212 IFC
220,1727 Nicktoons
221,1714 Discovery
Family Channel
222 Disney XD
223,1702 Nick Jr.
224,1740 TeenNick
225,1756 RetroPlex
226 OWN (Oprah Winfrey
Network)
227 Science
228,1729 Nick 2
230,1497 Discovery Life
232 Nat Geo WILD
233 Destination America
236,1682 The Impact
Network
239,1485 Cooking Channel
240,1493 DIY Network
242 VICELAND
243 fyi
244,1701 Disney Junior
248 ESPNews
253,1480 American Heroes
Channel
254 FOX Sports 2
255,1236 Outdoor Channel
257,599 NBA TV
259 NHL Network
260,1246 TVG
261 CBS Sports Network
266 Tennis Channel
269 MLB Network
271 fuse

272,1615 Nick Music
273,1639 MTV2
274 BET Her
275,1630 BET Soul
276,1619 CMT Music
277,1614 MTV Classic
278,1766 FX Movie Channel
279,1620 Great American
Country (GAC)
280,1633 BET Jams
281,1439 Logo
286 ESPN
326 STARZ ENCORE East
666 HITN
686 Mnet
705,1232 NBC Universo
710,1229 Univision
Deportes Network
711 MTV TR3s
719 Galavision
783,1613 AXS TV
785,1773 STARZ ENCORE
East HD
792,1716 Disney XD HD
793,1467 fuse HD
796,1210 ESPN HD
797,1486 fyi HD
798,1438 IFC HD
822,1217 NHL Network HD
838,1224 Tennis
Channel HD
846,1222 Olympic
Channel HD
855,1412 Spike HD
856,1303 CBS Sports
Network HD
857,1464 OWN HD (Oprah
Winfrey Network)
866,1451 Science HD
900,1301 ESPN HD
904,1765 MGM HD
910,1436 VICELAND HD
911,1487 Destination
America HD
913,1218 NBA TV HD
914,1219 MLB Network HD
915,1462 Ovation HD
922,1472 Nat Geo WILD HD
923,1209 FOX Sports 2 HD
928,1321 SEC Network HD

ECONOMY PLUS**LATINO TV**(INCLUDES DIGITAL ECONOMY
AND XFINITY TV LATINO)

28 MTV
29 VH1
30 FX
32 HGTV
38 TLC
43 HLN
46 CNBC
48 Freeform
53,251 MSNBC
54 Nickelodeon
57 Bravo

62 Syfy
67 Travel Channel
83,234,1655 INSP
88,1049 HSN2
124,1420 WGN America
200,1757 MoviePlex
210 National Geographic
Channel
213 TCM
214 TV One
215 WE tv
218 Universal Kids
226 OWN (Oprah Winfrey
Network)
236,1682 The Impact
Network
241 BBC America
250 FOX Sports 1
256 FXX
267,1425 GSN
270 LMN
284 FOX Business Network
663,1781 STARZ ENCORE en
Espanol
784,1488 Travel
Channel HD
788,1456 LMN HD
789,1123 FOX Business
Network HD
794,1463 Bravo HD
795,1121 CNBC HD
799,1428 WE tv HD
821,1473 National
Geographic HD
825,1728 Nickelodeon HD
826,1742 Freeform HD
827,1606 MTV HD
828,1612 MTV Live HD
829,1607 VH1 HD
830,1409 FX HD
832,1492 HGTV HD
839,1243 Velocity HD
843,1112 HLN HD
846,1222 Olympic
Channel HD
857,1464 OWN HD (Oprah
Winfrey Network)
862,1411 Syfy HD
867,1450 TLC HD
901,1113 MSNBC HD
903,1755 TCM HD
912,1626 TV One HD
920,1418 BBC America HD
924,1410 FXX HD
925,1208 FOX Sports 1 HD
927,1707 Universal
Kids HD

STARTER LATINO TV
(INCLUDES DIGITAL ECONOMY,
ECONOMY PLUS LATINO TV
AND XFINITY TV LATINO)

28 MTV
29 VH1
30 FX
31 TBS
32 HGTV

33 TNT
38 TLC
43 HLN
46 CNBC
48 Freeform
49 ESPN
50 ESPN2
51 NESN
52 NBC Sports Boston
53,251 MSNBC
54 Nickelodeon
57 Bravo
62 Syfy
65 NBC Sports Network
67 Travel Channel
69 Golf Channel
83,234,1655 INSP
84 NESN+
85,1256 NBC Sports
Boston Overflow
88,1049 HSN2
124,1420 WGN America
200,1757 MoviePlex
210 National Geographic
Channel
213 TCM
214 TV One
215 WE tv
218 Universal Kids
226 OWN (Oprah Winfrey
Network)
236,1682 The Impact
Network
241 BBC America
250 FOX Sports 1
256 FXX
265,715 NFL Network
267,1425 GSN
270 LMN
284 FOX Business Network
663,1781 STARZ ENCORE en
Espanol
784,1488 Travel
Channel HD
788,1456 LMN HD
789,1123 FOX Business
Network HD
794,1463 Bravo HD
795,1121 CNBC HD
799,1428 WE tv HD
821,1473 National
Geographic HD
825,1728 Nickelodeon HD
826,1742 Freeform HD
827,1606 MTV HD
828,1612 MTV Live HD
829,1607 VH1 HD
830,1409 FX HD
831,1434 TBS HD
832,1492 HGTV HD
833,1404 TNT HD
839,1243 Velocity HD
843,1112 HLN HD
846,1222 Olympic
Channel HD
848,1223 Golf Channel HD

849,1205 ESPN HD
850,1206 ESPN2 HD
851,1250 NESN HD
852,1251 NBC Sports
Boston HD
853,1215 NFL Network HD
857,1464 OWN HD (Oprah
Winfrey Network)
862,1411 Syfy HD
865,1207 NBC Sports
Network HD
867,1450 TLC HD
894,1255 NESN+ HD
901,1113 MSNBC HD
903,1755 TCM HD
912,1626 TV One HD
920,1418 BBC America HD
924,1410 FXX HD
925,1208 FOX Sports 1 HD
927,1707 Universal
Kids HD

XFINITY TV LATINO

641 TBN Enlace
642 Telefe
643 TeleFormula
644 Pasiones
645 TV Chile
646 Nuestra Tele
647 Video Rola
648 FOX Life
649 TVE Internacional
650 TV Venezuela
652 Telehit
653 Ritmoson
654 Bandamax
655 De Pelicula
656 De Pelicula Clasico
657 SUR Peru
658 Vme Kids
659 SUR TV
660 Once Mexico
661 Multimedios
662 Mexicanal
666 HITN
667 Cinema Dinamita
668 EWTN en Espanol
670 Ecuavisa
673 Caracol TV
674 Canal 52MX
675 Cine Sony
678 Latin American Sports
704 Supercanal
705,1232 NBC Universo
706 Discovery en Espanol
707 Cinelatino
708,1230 FOX Deportes
709 CNN en Espanol
710,1229 Univision
Deportes Network
711 MTV TR3s
712 ViendoMovies
713 Cine Mexicano
716 HISTORY en Espanol
717 WAPA America

continued

718 Telemicro
Internacional
719 Galavision
720,1231 ESPN Deportes
722 BabyFirst Americas -
Spanish
723 Centroamerica TV
725 Discovery Familia
726,1228 beIN
Sports-Spanish
727 UniMás Alt
728 Univision Alt
757 TV Dominicana

FAMILY TIER

27 Disney Channel
32 HGTV
43 HLN
47 The Weather Channel
54 Nickelodeon
66 Food Network
210 National Geographic
Channel
218 Universal Kids
221,1714 Discovery
Family Channel
222 Disney XD
224,1740 TeenNick
227 Science
240,1493 DIY Network
792,1716 Disney XD HD
821,1473 National
Geographic HD
824,1715 Disney
Channel HD
825,1728 Nickelodeon HD
832,1492 HGTV HD
843,1112 HLN HD
847,1102 The Weather
Channel HD
854,1484 Food Network HD
866,1451 Science HD
927,1707 Universal
Kids HD

SPORTS ENTERTAINMENT PACKAGE

126,1445 Crime &
Investigation
127,1479 Military
History Channel
128,1266 SNY OOM
130,1280 NBC Sports
Chicago OOM
133,1297 NBC Sports Bay
Area OOM
135,1302 ESPN
GoalLine/Bases Loaded
136,1237 Sportsman
Channel
192,1227 beIN
Sports-English
194,1329 Pac-12
195 Outside Television
213 TCM

248 ESPNews
255,1236 Outdoor Channel
257,599 NBA TV
259 NHL Network
260,1246 TVG
261 CBS Sports Network
265,715 NFL Network
269 MLB Network
282 CMT
285 BTN
286 ESPN2
287 NFL RedZone
726,1228 beIN
Sports-Spanish
796,1210 ESPNews HD
822,1217 NHL Network HD
853,1215 NFL Network HD
856,1303 CBS Sports
Network HD
864,1608 CMT HD
885,1313 BTN HD
899,1216 NFL Network HD
900,1301 ESPN HD
903,1755 TCM HD
913,1218 NBA TV HD
914,1219 MLB Network HD

PREMIUM CHANNELS

202,366,1771 FLIX East
301 HBO East
302 HBO2 East
303,1806 HBO Signature
East
304,1808 HBO Family East
305,1810 HBO Comedy East
306 HBO Zone East
307 HBO Latino East
321 STARZ East
322 STARZ Edge East
323,1872 Starz In Black
East
324 STARZ Kids & Family
East
325,1876 STARZ Cinema
East
327 STARZ Comedy
338,1830 5StarMAX
339,1832 OuterMAX
340,1828 MovieMax
341 CINEMAX East
342,1822 MoreMAX East
343,1824 ActionMAX East
344,1826 ThrillerMax East
361 Showtime East
362 Showtime 2 East
363,1846 Showtime
Showcase East
364 Showtime Extreme East
365,1844 Showtime Beyond
East
381 The Movie Channel
East
382 The Movie Channel
Xtra East
451 Playboy

773,1814 HBO Latino HD
East
775,1812 HBO Zone HD East
868,1820 CINEMAX HD East
870,1802 HBO HD East
871,1804 HBO2 HD East
873,1870 STARZ Edge HD
874,1874 STARZ Kids &
Family HD
875,1868 STARZ East HD
876,1878 STARZ Comedy HD
877,1840 Showtime HD East
878,1842 Showtime 2 HD
East
880,1848 Showtime
Extreme HD
883,1860 The Movie
Channel HD East
884,1862 The Movie
Channel Xtra East HD

INTERNATIONAL SELECTIONS

134,685,3285 Willow Plus
679,3280 RAI
International
680,3293 TV Globo
681,3216 SIC
International
682,3210 Premiere
Futbol Clube
688,3294 TV5 Monde
701,3287 ZeeTV
702,3138 CTI Zhong Tian
Channel
703,3226 RTN (Russian)
3101 Willow Plus HD
3102 TV Asia HD
3103 ZeeTV HD
3104 Star Bharat
3105 Star India Plus HD
3106 SET HD
3107 Star India Gold
3109 NDTV 24X7
3110 NDTV GOOD
3111 NDTV INDIA
3128 Vijay
3135 CCTV4
3137 Phoenix Info News
3139 Phoenix NA
3150 TVB Jade
3180 TV JAPAN HD
3185 Saigon Broadcasting
Television Network
3194 The Filipino Channel
3195 GMA Pinoy TV
3196 GMA Life TV
3203 TV Polonia
3211,3291 Bandeirantes TV
3212 RecordTV Europa HD
3213 TV Globo HD
3217 RTPi (Portuguese)
3225 RTVi (Russian)
3227 Russian Kino
3228 NTV America
3229 Channel One Russia

3230 Impact TV
3232 RTR PLAN
3233 ROSSIYA
3234 CTC
3245 ART Network
3250 The Israeli Network
3260 DW (Deutsch+)
3265 TV5 Monde HD
3275 Antenna TV
3281 Mediaset Italia
3286 TV Asia
3288 Star India Plus
3289 SET
3290 TV JAPAN
3292 RecordTV

PAY-PER-VIEW

257,599 NBA TV
399,800 IN DEMAND PPV HD
400 IN DEMAND PPV BARKER
401 IN DEMAND PPV 1
402 IN DEMAND PPV 2
435 Penthouse Block
452 Juicy
453 Vivid TV
457 TEN
458 XTSY
459 Hustler TV
601-610 NBA/MLS PPV
612,1387 MLB/MLS PPV HD
621-634 MLB/NHL PPV
635,1370 INDEMAND
MLB/NHL HD
636,1371 INDEMAND
MLB/NHL 2 HD
913,1218 NBA TV HD
1372-1385 MLB/NHL PPV
1388-1397 NBA/MLS PPV

ON DEMAND

1,1000 Xfinity On Demand
404,1751 Free Movies On
Demand
405,1801 HBO On Demand
406 HD On Demand
407 Free HD Channels On
Demand
408,1800 HD Premium
Channels On Demand
409 HD Music On Demand
410,1750 Movies On Demand
450 Adult On Demand
886-893 Searchlight On
Demand
929 Red Sox On Demand

MUSIC CHOICE

501-550 MUSIC CHOICE

XFINITY INSTANT TV KIDS & FAMILY

27 Disney Channel
28 MTV
38 TLC
48 Freeform
54 Nickelodeon

60 Cartoon Network
210 National Geographic
Channel
218 Universal Kids
220,1727 Nicktoons
222 Disney XD
223,1702 Nick Jr.
224,1740 TeenNick
244,1701 Disney Junior
792,1716 Disney XD HD
821,1473 National
Geographic HD
824,1715 Disney
Channel HD
825,1728 Nickelodeon HD
826,1742 Freeform HD
827,1606 MTV HD
860,1734 Cartoon
Network HD
867,1450 TLC HD
927,1707 Universal
Kids HD

XFINITY INSTANT TV ENTERTAINMENT

26,208 Hallmark Channel
29 VH1
30 FX
31 TBS
32 HGTV
33 TNT
34 E!
35 USA Network
36 Lifetime
37 A&E
39 Discovery
57 Bravo
59 AMC
61 Comedy Central
62 Syfy
63 Animal Planet
66 Food Network
71 HISTORY
97 BET
214 TV One
226 OWN (Oprah Winfrey
Network)
256 FXX
794,1463 Bravo HD
823,1449 Discovery HD
829,1607 VH1 HD
830,1409 FX HD
831,1434 TBS HD
832,1492 HGTV HD
833,1404 TNT HD
834,1466 E! HD
835,1403 USA Network HD
836,1455 Lifetime HD
837,1402 A&E HD
854,1484 Food Network HD
857,1464 OWN HD (Oprah
Winfrey Network)
858,1435 Comedy
Central HD
859,1405 AMC HD
862,1411 Syfy HD

continued

863,1471 Animal Planet HD
872,1478 HISTORY HD
905,1625 BET HD
907,1458 Hallmark
Channel HD
912,1626 TV One HD
924,1410 FXX HD

XFINITY INSTANT TV SPORTS & NEWS

41 FOX News Channel
42 CNN
46 CNBC
49 ESPN
50 ESPN2
51 NESN
52 NBC Sports Boston
53,251 MSNBC
65 NBC Sports Network
69 Golf Channel
84 NESN+
85,1256 NBC Sports
Boston Overflow
248 ESPNews
250 FOX Sports 1
265,715 NFL Network
284 FOX Business Network
286 ESPN
789,1123 FOX Business
Network HD
795,1121 CNBC HD
796,1210 ESPNews HD
841,1110 FOX News
Channel HD
842,1111 CNN HD
848,1223 Golf Channel HD
849,1205 ESPN HD
850,1206 ESPN2 HD
851,1250 NESN HD
852,1251 NBC Sports
Boston HD
853,1215 NFL Network HD
865,1207 NBC Sports
Network HD
894,1255 NESN+ HD
900,1301 ESPN HD
901,1113 MSNBC HD
925,1208 FOX Sports 1 HD

XFINITY INSTANT TV DEPORTES

192,1227 beIN
Sports-English
678 Latin American Sports
705 NBC Universo

708,1230 FOX Deportes
710,1229 Univision
Deportes Network
720,1231 ESPN Deportes
726,1228 beIN
Sports-Spanish

XFINITY INSTANT TV LATINO

644 Pasiones
658 Vme Kids
667 Cinema Dinamita
675 Cine Sony
706 Discovery en Espanol
707 Cinelatino
709 CNN en Espanol
712 ViendoMovies
713 Cine Mexicano
716 HISTORY en Espanol
719 Galavision
722 BabyFirst Americas -
Spanish
725 Discovery Familia

A subscription to Limited Basic is required to receive video services unless otherwise indicated. TV Box, TV Adapter or CableCARD is required to receive video services. Channel lineup for outlets with TV Adapters is same as the primary outlet with the following exceptions: premium channels are not available and only the following HD channels with channel numbers above 1000 are available: The Weather Channel, Fox News, CNN, HLN, MSNBC, CNBC, Bloomberg, Fox Business, CSPAN, CSPAN2, CSPAN 3, and your local news stations. Except for Limited Basic only customers, HD programming requires subscription to HD Technology Fee and HD compatible equipment. Channel lineup subject to change. Additional restrictions may apply. See Services & Pricing card for additional information. © 2017 Comcast. All rights reserved.

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