The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

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OFFICE OF THE CITY CLERK
CAMBRIDGE, MASSACHUSETTS

NOTICE OF PUBLIC HEARING AND REQUEST FOR COMMENTS

D.P.U. 12-126-H September 12, 2013

Investigation by the Department of Public Utilities, pursuant to Chapter 209, Section 51 of the Acts of 2012, An Act Relative to Competitively Priced Electricity in the Commonwealth, to establish a cost-based rate design for NSTAR Electric Company and NSTAR Gas Company.

On August 26, 2013, in compliance with Investigation by the Department of Public Utilities Pursuant to Chapter 209, Section 51 of the Acts of 2012, an Act Relative to Competitively Priced Electricity in the Commonwealth, D.P.U. 12-126 (August 16, 2013), NSTAR Electric Company ("NSTAR electric") and NSTAR Gas Company ("NSTAR gas") (together "Companies") filed a proposed cost-based rate design with the Department of Public Utilities ("Department"). The Department docketed this filing as D.P.U. 12-126H.

Section 51 of An Act Relative to Competitively Priced Electricity in the Commonwealth, St. 2012, c. 209 ("Section 51") requires the Department to commence a proceeding for each gas and electric distribution company to establish a cost-based rate design for costs that are currently recovered from distribution customers through a reconciling factor. Section 51 provides that the Department shall approve the redesigned reconciliation factors, after a public hearing comment period, not later than January 1, 2014. The Company proposes to implement the changes during 2014 on the date that the factor would otherwise be updated pursuant to its tariffs.

If NSTAR gas's rate design is approved as proposed, the Company calculates that it will have the following effects on total annual bills for a typical customer in the following rate classes:

- total annual bills will increase for the following residential customer classes: R-1 – residential non-heating (1.1%); R-2 - low income residential non-heating (1.3%); R-3 – residential heating (1.7%); R-4 – low income residential heating (1.7%);

- total annual bills will increase for the following commercial and industrial customer ("C&I") class: G-41 - low annual use/high peak period use (0.2%); and G-51 - low annual use/low peak period use (0.3%); and

- total annual bills will decrease for the following C&I customer classes: G-42 - medium annual use/high peak period use (-1.2%); G-52 - medium annual use/low peak period use (-1.3%); G-43 high annual use/high peak period use (-2.3%); and G-53 - high annual use/low peak period use (-2.5%).

If NSTAR electric's rate design is approved as proposed, the Company calculates that it will have the following effects on total annual bill for a typical customer in the following rate classes s:

Boston Edison Company

- total annual bills will increase for the following residential customer classes: R-1 – Residential (0.9%); R-2 – Residential Assistance (0.4% to 0.9%); R-3 - Residential Space Heating (0.4%); R-4 – Optional Residential Time of Use (0.5%).

- total annual bills will increase for the following commercial and industrial ("C&I") customer classes: G-1 – General (without demand) (1.4%); G-1 - General (with demand) (1.5% to 1.6%); G-2 – Large General Time of Use (0.2% to 0.3%); T-1 – Optional Time of Use (1.7%).

- total annual bills will decrease for the following C&I customer classes: G-3 - Large General Service Time of Use (-1.4% to -1.5%); and T-2 – Time of Use (-0.3% to -0.4%).

Cambridge Electric Company

- total annual bills will increase for the following residential customer classes: R-1 – Residential (2.6%); R-2 – Residential Assistance (2.7%); R-3 - Residential Space Heating (2.7%); R-4 – Residential Assistance Space Heating (2.8%); R-5 – Optional Residential Time of Use (2.9%); and R-6 - Optional Residential Space Heating Time of Use (3.4%).

- total annual bills will increase for the following C&I customer classes: G-0 - General (non-demand) (2.0%); G-1 – General (0.5% to 0.6%); G-4 - Optional General Time of Use (0.6% to 0.7%)); G-5 – Commercial Space Heating (0.6%); and G-6 – Optional General Time of Use (non-demand) (1.9%).

- total annual bills will decrease for the following C&I customer classes: G-2 - Large General Time of Use (secondary service) (-0.3% to -0.4%); and G-3 - Large General Time of Use (-1.6% to -1.7%).Commonwealth Electric Company

- total annual bills will increase for the following residential customer classes: R-1 – Residential (1.5% to 2.1%); R-2 – Residential Assistance (0.8%to 1.0%); R-3 - Residential Space Heating (1.4%); R-4 – Residential Space Heating Assistance (0.1%); R-5 – Controlled Water Heating (2.5%).

- total annual bills will decrease for the following C&I customer classes: G-1 - General (-1.6% to -2.1%); G-2 – Medium General Time of Use (-3.6% to -4.1%); G-3 – Large General Time of Use (-4.0% to -4.8%); G-4 – General Power (-2.1% to -2.4%); G-5 – Commercial Space Heating (-2.1%); G-6 – All Electric School (-2.5%); G-7 – Optional General Time of Use (-1.7% to -2.4%).

The Department will conduct a public hearing in this investigation on **October 10, 2013, at 10:00 a.m.**, at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts 02110. Any person who desires to comment may do so at the time and place noted above or submit written comments no later than the close of business (5:00 p.m.) on **October 10, 2013**.

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department not later than the close of business on **September 24, 2013**. A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

The Department will conduct a procedural conference in this investigation on **September 26, 2013, at 2:00 p.m.**, at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts 02110.

An original and one (1) copy of all written comments must be filed with Mark Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110. One copy of all written comments should also be sent to the service list for this proceeding, available on the Department's website, http://www.mass.gov/dpu.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and alison.lackey@state.ma.us; or (2) CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 12-126-H); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: http://www.mass.gov/dpu.

The Companies' filing is available for inspection during regular business hours at the Department's offices, One South Station, 5th Floor, Boston, Massachusetts 02110 and on the Department's website, http://www.mass.gov/dpu.

Any person desiring further information regarding the Companies' filing should contact the Company's attorney, John K. Habib, Esq. at (617) 951-1400. Any person desiring further information regarding this notice may contact Alison Lackey, Hearing Officer, Department of Public Utilities, One South Station, Boston, Massachusetts 02110, telephone, 617-305-3694.