

### **Update on the Eversource Rate Case:**

In January 2017, Eversource filed their first fully-litigated rate case since the 1980's, asking the Department of Public Utilities (DPU) to approve major rate design changes and an overall increase in rates. The Cape Light Compact, at the Compact Governing Board's direction, intervened in the rate case and was an active participant, pushing back against many of the changes and increases that Eversource was asking the DPU to approve. Many other parties also intervened to oppose Eversource's requests, including the Attorney General. The Compact's major focuses included:

- Opposing the proposed increase to the flat monthly customer charge
- Opposing the proposed 10.5% return on equity, which is higher than other recently-approved rate cases
- Opposing the Monthly Minimum Reliability Contribution (MMRC), a demand-based charge that would be imposed on customers with net-metered generation (e.g., rooftop solar) beginning in 2019
- Opposing the consolidation of commercial and industrial (C&I) rate classes and accompanying rate design changes, which would lead to drastically increased bills for some C&I customers on Cape Cod and Martha's Vineyard
- Opposing the proposed separate treatment (non-consolidation) of legacy Commonwealth Electric transition charges, which would have left Cape and Vineyard ratepayers paying higher transition charges than the rest of the state
- Opposing the proposed rate consolidation would shift approximately \$30 million on to Eastern Massachusetts residential ratepayers

While the DPU ultimately did not issue an Order that was favorable relative to the Compact's (and other parties') positions on many of the above issues, there were several positive outcomes as a result of the Compact's and other parties' participation in the rate case proceeding:

- The DPU approved customer charge amounts that were lower than the amounts requested by Eversource, resulting in approximately \$54 million of annual savings for ratepayers in Commonwealth Electric Company (COM) legacy service territory (which includes all of Cape Cod and Martha's Vineyard).
- The DPU disallowed the consolidation of C&I rate classes, resulting in approximately \$102 million in annual savings to COM ratepayers (when comparing the final DPU approved rates against the initial Eversource filing). The DPU Order referred to the specific Compact testimony that showed "individual bill increases of up to \$25,000 per year" for some customers and further stated, "The Department directs the Companies to focus on customer bill impacts and ensure that any proposed rate design is transparent" when they submit a filing in the future.
- The DPU disallowed separate treatment of transition charges for COM ratepayers, saving COM ratepayers approximately \$8 million in 2018. It is important to note that, while the DPU did not specifically cite the Compact's arguments in the section of their Order that disallowed the separate treatment of COM transition charges, the Compact was the only party that raised this issue specifically during the rate case proceedings.

The Attorney General and other parties have appealed parts of the DPU's Order to the Massachusetts Supreme Judicial Court (SJC), including the 10% approved return on equity and the approval of the

MMRC. These appeals are pending before the SJC, being monitored by the Compact, and the results of the SJC's decision(s) may impact rates in the future.