



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 09-18, 09-19, 09-20, and 09-23

January 26, 2011

Department of Public Utilities review of the 2008 Service Quality Reports of the Electric Distribution Companies, filed pursuant to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 04-116-B (2006) and D.T.E. 04-116-C (2007).

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I. INTRODUCTION

Pursuant to G.L. c. 164, § 1E(c), all electric distribution companies operating within the Commonwealth of Massachusetts filed their 2008 annual service quality (“SQ”) reports with the Department of Public Utilities (“Department”) by March 1, 2009. The reports compare the electric distribution companies’ performance during 2008 with the Department’s SQ standards set forth in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 04-116-B (2006) and D.T.E. 04-116-C (2007) (“SQ Guidelines”). The SQ Guidelines establish eight penalty measures for electric distribution companies.¹ The Department docketed the companies’ 2008 SQ reports as D.P.U. 09-18 through D.P.U. 09-20, and D.P.U. 09-23.² The Attorney General of the Commonwealth intervened as of right pursuant to G.L. c. 12, § 11E. The companies responded to a total of 38 information requests from the Department in the dockets listed above.³

¹ The SQ penalty measures for electric distribution companies are as follows: System Average Interruption Duration Index (“SAIDI”), System Average Interruption Frequency Index (“SAIFI”), Lost Work-Time Accident Rate, Telephone Answering Factor, Service Appointments Met, On-Cycle Meter Reading, Consumer Division Cases, and Consumer Division Billing Adjustments.

² The docket numbers are as follows: Fitchburg Gas and Electric Light Company d/b/a Unitil, D.P.U. 09-18; Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, D.P.U. 09-19; NSTAR Electric Company, D.P.U. 09-20; and Western Massachusetts Electric Company, D.P.U. 09-23.

³ On its own motion, the Department admits into evidence the electric distribution companies’ discovery responses. 220 C.M.R. § 1.06(6)(a). In addition, the Department incorporates by reference the settlement approved in Boston Edison

II. 2008 ELECTRIC DISTRIBUTION COMPANY SERVICE QUALITY PERFORMANCE

The electric division of Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) reports that it failed to meet its benchmark in its SAIDI, SAIFI, and Consumer Division Cases metrics.⁴ However, Unitil’s reported offsets for exceeding its benchmark in the Telephone Answering Factor and Service Appointments Met metrics resulted in a net penalty of \$100,478. As a result of its 2008 performance, the Department directs Unitil to submit a detailed report, within three weeks from the date of this Order, regarding (1) the actions it has taken or planned to improve its performance in the SAIDI, SAIFI, and Consumer Division Cases metrics, and (2) how it plans to refund the \$100,478 penalty to its electric customers.

Massachusetts Electric Company d/b/a National Grid (“Massachusetts Electric”) reports that it met or exceeded its benchmarks in all of its performance measures. Nantucket Electric Company d/b/a National Grid (“Nantucket Electric”) reports that it failed to meet its benchmark in its SAIDI, Lost Work-Time Accident Rate, and Service Appointments Met metrics, but exceeded its benchmark in the Consumer Division Cases metric, resulting in an offset. As a result, Nantucket Electric incurred a net penalty of \$83,145. As a result of its

Company, Cambridge Electric Light Company, Commonwealth Electric Company, and NSTAR Gas Company, D.T.E. 05-85 (2005). 220 C.M.R. § 1.10(3).

⁴ Previously, Unitil’s electric division was exempt from revenue penalty and penalty offset provisions of its SQ plan because the Company was not under a performance based rate or merger-related plan. 2007 Service Quality Reports for Electric Distribution Companies, D.P.U. 08-18/20/23, Letter Order at 3 (January 13, 2010). Unitil’s electric division, however, agreed to be subject to the penalty provisions of the SQ Guidelines and G.L. c. 164, § 1E starting in January 1, 2008. Id.; D.P.U. 08-18/20/23, Unitil Letter dated March 17, 2008.

2008 performance, the Department directs Nantucket Electric to submit a detailed report, within three weeks from the date of this Order, regarding (1) the actions it has taken or planned to improve its performance in its SAIDI, Lost Work-Time Accident Rate, and Service Appointments Met metrics, and (2) how it plans to refund the \$83,145 penalty to its customers.

NSTAR Electric reports that it met or exceeded its benchmarks in all the performance measures.⁵ In addition to the reporting required pursuant to the SQ Guidelines, NSTAR Electric is reporting the status of its poor circuit remediation (“PCR”) pursuant to a Department-approved settlement. Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, and NSTAR Gas Company, D.T.E. 05-85 (2005) (“Settlement”). The Department has determined that the PCR provisions of the Settlement may co-exist with the PCR provisions of the SQ Guidelines. NSTAR Electric Company, D.T.E./D.P.U. 07-15/17/19, at 21 (2008). The PCR provision of the Settlement, Paragraph 2.28, provides that NSTAR Electric would establish a performance benchmark for poor performing circuits⁶ and would be subject to a penalty of \$100,000 for each poor performing circuit up to a maximum penalty of \$500,000 per year. For those years in which

⁵ In its initial 2008 SQ report, NSTAR Electric included among its customer service guarantees, payments to customers for (1) crossed meters, (2) inaccurate meter reads, (3) a billing error, and (4) shut-offs in error. On August 19, 2010, pursuant to a staff request, NSTAR re-filed its SQ report to include only payments made to customers for missed appointments and failure to notify of a planned outage, the Department-approved measures for customer service guarantees (Exh. NSTAR-3-2).

⁶ Paragraph 2.28 of the Settlement defines a poor performing circuit as a distribution feeder that has sustained a circuit interruption duration that is among the five percent worst for the reporting year for three consecutive reporting years.

there is no poor performing circuit, NSTAR Electric would be entitled to a \$500,000 incentive (Settlement at ¶ 2.28). The Department has determined that “the initial review period under Paragraph 2.28 of the [D.T.E.] 05-85 Settlement shall be the years 2006 through 2008.” NSTAR Electric Company, D.T.E./D.P.U. 07-15/17/19, at 33 (2008).

While NSTAR Electric reports that it had no poor performing circuits pursuant to the Settlement, making it eligible for a \$500,000 incentive (NSTAR Electric Letter dated May 20, 2009), the Department disagrees. NSTAR Electric acknowledges that circuit 2-102-604 was among the five percent worst performing circuits in 2007 and 2008, but it maintains that this circuit was not among the worst five percent in 2006 (Exh. NSTAR-3-1). However, the Department finds that circuit 2-102-604 was a poor performing circuit because the evidence shows it was among the five percent worst circuits in 2006, as well as 2007 and 2008. The Department bases this determination on its analysis of NSTAR Electric’s circuit data provided in Exh. NSTAR-1-3. Therefore, NSTAR is subject to a \$100,000 penalty rather than the \$500,000 incentive. As a result of its 2008 performance, the Department directs NSTAR Electric to submit a detailed report, within three weeks from the date of this Order, regarding (1) the actions it has taken or planned to improve its poor performing circuit, and (2) how it plans to refund its \$100,000 penalty to its customers.

Western Massachusetts Electric Company (“WMECo”) reports that it failed to meet its benchmark in its SAIDI and SAIFI metrics, resulting in a \$1,333,238 penalty. WMECo reports that it met its benchmarks in all other penalty measures. As a result of its 2008 performance, the Department directs WMECo to submit a detailed report, within three weeks

from the date of this Order, regarding (1) of the actions it has taken or planned to improve its performance in its SAIDI and SAIFI metrics, and (2) how it plans to refund the \$1,333,238 penalty to its customers.

III. CONCLUSION

Based on a review of the companies' SQ reports and responses to discovery, the Department concludes that the electric distribution companies reported their 2008 SQ performance in a manner consistent with the SQ Guidelines and their SQ plans. Accordingly, the Department approves the electric distribution companies' 2008 SQ reports. However, the Department denies NSTAR Electric's request to collect a \$500,000 incentive pursuant to the PCR provisions of its Settlement. The Department directs Unitil, Nantucket Electric, NSTAR Electric, and WMECo to submit proposals, within three weeks from the date of this Order, regarding how they plan to refund their penalty amounts to customers.

IV. ORDER

Accordingly, after consideration, it is

ORDERED: That the electric distribution companies' 2008 service quality reports filed on or before March 1, 2009, with NSTAR Electric's revisions filed on August 19, 2010, are hereby APPROVED; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Company d/b/a Unitil shall submit a detailed report to the Department, within three weeks from the date of this Order, regarding the actions it has taken or planned to improve its performance in its SAIDI, SAIFI, and Consumer Division Cases metrics; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Company d/b/a Unitil shall refund a net penalty of \$100,478 to its customers, and submit a proposal to the Department, within three weeks from the date of this Order, regarding how it plans to refund \$100,478 to its customers; and it is

FURTHER ORDERED: That Nantucket Electric Company d/b/a National Grid shall submit a detailed report to the Department, within three weeks from the date of this Order, regarding the actions it has taken or planned to improve its performance in its SAIDI, Lost Work-Time Accident Rate, and Service Appointments Met metrics; and it is

FURTHER ORDERED: That Nantucket Electric Company d/b/a National Grid shall refund a net penalty of \$83,145 to its customers, and submit a proposal to the Department, within three weeks from the date of this Order, regarding how it plans to refund \$83,145 to its customers; and it is

FURTHER ORDERED: That NSTAR Electric Company's request for a \$500,000 incentive payment for circuit performance during the years 2006, 2007, and 2008 is hereby DENIED; and it is

FURTHER ORDERED: That NSTAR Electric Company shall submit a detailed report to the Department, within three weeks from the date of this Order, regarding the actions it has taken or planned to improve its poor performing circuit 2-102-604; and it is

FURTHER ORDERED: That NSTAR Electric Company shall refund a penalty of \$100,000 to its customers, and submit a proposal to the Department, within three weeks from the date of this Order, regarding how it plans to refund \$100,000 to its customers; and it is

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.