

Explanatory Statement

**II. SUMMARY OF BASIC SERVICE RATES**

The Company’s proposed fixed Basic Service rates for the periods May 1, 2022 through October 31, 2022 for the residential and commercial customer groups and May 1, 2022 through July 31, 2022 for the industrial customer group, including currently effective BSACFs and SGCCAFs, are set forth below. The Company has also proposed changes to its BSACFs and SGCCAFs effective May 1, 2022 and therefore is also providing Basic Service rates reflecting the BSACFs and SGCCAFs proposed for effect May 1, 2022.

Proposed Fixed Basic Service Rates

|                 | <u>Including Currently Effective<br/>BSACFs and SGCCAFs</u> | <u>Including Proposed BSACFs and<br/>SGCCAFs</u> |
|-----------------|-------------------------------------------------------------|--------------------------------------------------|
| Residential     | 11.233¢                                                     | 11.491¢                                          |
| Commercial      | 10.287¢                                                     | 10.370¢                                          |
| Industrial NEMA | 11.180¢                                                     | 11.223¢                                          |
| Industrial SEMA | 11.180¢                                                     | 11.223¢                                          |
| Industrial WCMA | 10.753¢                                                     | 10.796¢                                          |

**III. COMPETITIVE PROCUREMENT PROCESS**

Pursuant to the Department’s parameters for Basic Service procurement set forth in the Department’s orders in D.T.E. 99-60 and D.T.E. 02-40, National Grid issued an RFP on February 4, 2022 to supply National Grid’s Basic Service needs. For the residential and commercial customer groups, this RFP solicited 50 percent of National Grid’s Basic Service supply needs for the period May 2022 through October 2022 and 50 percent of National Grid’s Basic Service supply needs for the period November 2022 through April 2023. For the industrial customer group, this RFP solicited National Grid’s entire Basic Service supply needs for the period May 2022 through July 2022. Bidders were required to provide Zone-specific bids for load blocks in each of the three Zones in which National Grid provides Basic Service. This RFP solicitation is consistent with past RFPs performed by National Grid, however the procurements resulting from the RFP were not consistent. National Grid did not award several load blocks to suppliers for the November 2022 through April 2023 period. National Grid will include these load blocks in a future RFP to supply its Basic Service needs. National Grid is filing under separate cover letter a request for a waiver from the Department’s procurement rules established in Pricing and Procurement of Default Service, D.T.E. 99-60-B (2000), and Default Service Procurement, D.T.E. 02-40-B (2003), because the Company’s actions to procure less than 50 percent of the residential and commercial customer groups’ Basic Service load requirements

**Massachusetts Electric Company  
Nantucket Electric Company**  
Summary of Proposed Base Basic Service Rates  
May 2022 through October 2022

Excludes Basic Service Administrative Cost Adjustment Factors and Smart Grid Customer Cost Adjustment Factors

| Customer Group<br>(a)                                                   | Rate Class<br>(b) | Load Zone<br>(c) | Variable Price Option |             |             |               |                  |                | Fixed Price Option<br>(j) |
|-------------------------------------------------------------------------|-------------------|------------------|-----------------------|-------------|-------------|---------------|------------------|----------------|---------------------------|
|                                                                         |                   |                  | May<br>(d)            | June<br>(e) | July<br>(f) | August<br>(g) | September<br>(h) | October<br>(i) |                           |
| <b>Section 1: Proposed Base Basic Service Rates Including GIS Adder</b> |                   |                  |                       |             |             |               |                  |                |                           |
| (1) Residential                                                         | R-1, R-2          | All              | \$0.11536             | \$0.10803   | \$0.11573   | \$0.11347     | \$0.10951        | \$0.11384      | \$0.11265                 |
| (2) Commercial                                                          | G-1               | All              | \$0.10054             | \$0.09840   | \$0.11017   | \$0.10516     | \$0.09993        | \$0.10064      | \$0.10266                 |
| (3) Industrial                                                          | G-2, G-3          | NEMA             | \$0.10748             | \$0.10299   | \$0.12293   | n/a           | n/a              | n/a            | \$0.11162                 |
| (4) Industrial                                                          | G-2, G-3          | SEMA             | \$0.10680             | \$0.10267   | \$0.12380   | n/a           | n/a              | n/a            | \$0.11162                 |
| (5) Industrial                                                          | G-2, G-3          | WCMA             | \$0.09892             | \$0.10407   | \$0.11749   | n/a           | n/a              | n/a            | \$0.10735                 |
| (6) Commercial                                                          | Streetlights      | All              | \$0.10054             | \$0.09840   | \$0.11017   | \$0.10516     | \$0.09993        | \$0.10064      | \$0.10266                 |
| (1) Line (7) + Line (8)                                                 |                   | (4)              | Line (7) + Line (11)  |             |             |               |                  |                |                           |
| (2) Line (7) + Line (9)                                                 |                   | (5)              | Line (7) + Line (12)  |             |             |               |                  |                |                           |
| (3) Line (7) + Line (10)                                                |                   | (6)              | Line (7) + Line (13)  |             |             |               |                  |                |                           |
| <b>Section 2: Proposed GIS Adder</b>                                    |                   |                  |                       |             |             |               |                  |                |                           |
| (7) Proposed GIS Adder                                                  | All               | All              | \$0.00001             | \$0.00001   | \$0.00001   | \$0.00001     | \$0.00001        | \$0.00001      | \$0.00001                 |
| (7) Page 9, Line (7)                                                    |                   |                  |                       |             |             |               |                  |                |                           |
| <b>Section 3: Proposed Base Basic Service Rates</b>                     |                   |                  |                       |             |             |               |                  |                |                           |
| (8) Residential                                                         | R-1, R-2          | All              | \$0.11535             | \$0.10802   | \$0.11572   | \$0.11346     | \$0.10950        | \$0.11383      | \$0.11264                 |
| (9) Commercial                                                          | G-1               | All              | \$0.10053             | \$0.09839   | \$0.11016   | \$0.10515     | \$0.09992        | \$0.10063      | \$0.10265                 |
| (10) Industrial                                                         | G-2, G-3          | NEMA             | \$0.10747             | \$0.10298   | \$0.12292   | n/a           | n/a              | n/a            | \$0.11161                 |
| (11) Industrial                                                         | G-2, G-3          | SEMA             | \$0.10679             | \$0.10266   | \$0.12379   | n/a           | n/a              | n/a            | \$0.11161                 |
| (12) Industrial                                                         | G-2, G-3          | WCMA             | \$0.09891             | \$0.10406   | \$0.11748   | n/a           | n/a              | n/a            | \$0.10734                 |
| (13) Commercial                                                         | Streetlights      | All              | \$0.10053             | \$0.09839   | \$0.11016   | \$0.10515     | \$0.09992        | \$0.10063      | \$0.10265                 |
| (8) Page 2, Line (11)                                                   |                   | (11)             | Page 5, Line (11)     |             |             |               |                  |                |                           |
| (9) Page 3, Line (11)                                                   |                   | (12)             | Page 6, Line (11)     |             |             |               |                  |                |                           |
| (10) Page 4, Line (11)                                                  |                   | (13)             | Page 3, Line (11)     |             |             |               |                  |                |                           |