



Dawn M. Herrity
Principal Program Manager
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March 15, 2018

Honorable Kathleen H. Burgess
Secretary
New York State Department of Public Service
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: CASE 06-G-1185 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a National Grid NY– Revenue Decoupling Mechanism

CASE 16-G-0059 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a National Grid

Dear Secretary Burgess:

In accordance with the Commission’s “Order Concerning Proposed Revenue Decoupling Mechanism” (Order 1) dated December 22, 2009 in Case 06-G-1185 and “Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plans” (Order 2) dated December 16, 2016 in Case 16-G-0059, The Brooklyn Union Gas Company d/b/a National Grid NY (the “Company”) hereby submits:

Statement No. 10 – Statement of Revenue Decoupling Mechanism
Statement No. 20 – Statement of System Benefits Charge
Schedule to Gas Service, P.S.C. No. 12-GAS
Effective Date: May 1, 2018

Order 1 approved the Joint Proposal (“JP”) filed by the Company on September 25, 2009 to implement a Revenue Decoupling Mechanism for SC1B (JP Section VI.1.B) . Order 2 approved the continuation of the SC1B Revenue Decoupling Mechanism and the implementation of a Revenue Decoupling Mechanism for SC2 and SC3 (JP Section IV.3.10 and Section IV.6.1.11) . The Company is submitting its Revenue Decoupling Mechanism Reconciliation for SC1B (Attachment A), a “Customer Count Proxy Analysis” for SC1B (Attachment B), and its Revenue Decoupling Mechanism Reconciliation for SC2 and SC3 (Attachment C).

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The calendar year 2017 SC1B reconciliation shows an over-recovery of the anticipated Allowed Delivery Service Revenues of \$4,918,047.90, including interest. The RDM reconciliation of calendar year 2015 resulted in an over-collection of \$58,021.16 including interest. This results in a total reconciliation of \$4,976,069.05, including interest and a Revenue Decoupling Mechanism factor credit of \$0.0069/therm. The credit will be included in the Delivery Rate Adjustment for Service Classification Nos. 1B, 1BR, 17-1B and 17-1BR effective May 1, 2018.

The SC1 Customer Count Proxy Analysis compares 30-day equivalent bills to the average annual number of residential heating customers measured by open and active meters. This comparison results in a 2% difference in the customer counts.

The calendar year 2017 SC2 reconciliation shows an under-collection of the anticipated Allowed Delivery Service Revenues of \$930,751, including interest. This results in a Revenue Decoupling Mechanism factor surcharge of \$0.0033/therm. The surcharge will be included in the Delivery Rate Adjustment for Service Classification Nos. 2A, 2B, 5-2A and 5-2B effective May 1, 2018.

The calendar year 2017 SC3 reconciliation shows an over-recovery of the anticipated Allowed Delivery Service Revenues of \$3,873,157, including interest. This results in a Revenue Decoupling Mechanism factor credit of \$0.0118/therm. The credit will be included in the Delivery Rate Adjustment for Service Classification Nos. 3A, 3B, 5-3A and 5-3B effective May 1, 2018.

In addition, the Company will be updating its System Benefits Charge ("SBC") to recover lost revenues plus interest from all non-RDM service classifications. The lost revenues plus interest associated with energy efficiency programs for the period January through December 2017 for non-RDM service classifications totaled \$148,135, including interest. The resultant SBC factor applicable to all non-RDM service classifications, effective May 1, 2018 is \$0.0066/therm. The workpaper detailing this adjustment to the SBC factor is contained in Attachment D.

Please contact the undersigned if you have questions or require further information.

Respectfully Submitted,

/s/ Dawn M. Herrity

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Enclosures

The Brooklyn Union Gas Company d/b/a National Grid NY - Case 16-G-0059

	<u>Annual Calc</u>	<u>Forecast Thruput May 1, 2018 - April 30, 2019</u>	<u>Rate Per Dth</u>	<u>Rate Per Therm</u>
		Dth		
SC 1 Residential Heating				
Target Revenue Per Customer	\$ 824.35			
Actual Number of Customers	607,859			
Actual Delivery Revenue	\$ 505,797,366			
Actual Revenue Per Customer	\$ 832.10			
RPC Variance (Target - Actual)	\$ (7.74)			
Variance times Customers	\$ (4,706,707.36)			
Dollars to be Credited	\$ (4,706,707.36)			
<u>Interest on CY 2017 Balance</u>	(\$211,340.54)			
CY 2017 Balance	\$ (4,918,047.90)			
CY 2015 Recovery	\$ (111,162.20)			
<u>Interest on CY 2015 Imbalance</u>	\$53,141.05			
CY 2015 Imbalance	\$ (58,021.16)			
Total Dollars to be Credited	\$ (4,976,069.05)	71,866,146	\$ (0.0692)	\$ (0.0069)

KEDNY
SC 1B

ATTACHMENT B

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
EQB 30 day (source: RDM Report)	632,856	604,171	612,140	629,087	618,663	621,716	623,072	608,238	624,947	602,637	611,830	680,676	622,503
O&A Meters (source: RDM Report)	606,975	608,033	608,587	607,585	606,605	606,004	605,325	605,189	607,287	608,899	611,036	612,784	607,859
	25,881	(3,862)	3,553	21,502	12,058	15,712	17,747	3,049	17,660	(6,262)	794	67,892	14,644
	4%	-1%	1%	4%	2%	3%	3%	1%	3%	-1%	0%	11%	2%

The Brooklyn Union Gas Company d/b/a National Grid, NY
Revenue Decoupling Mechanism
For Rate Year Ending December 31, 2017

	<u>SC2-1</u>	<u>SC2-2</u>	<u>SC2 Total</u>	<u>SC3</u>
Total Base Delivery Revenue				
Consolidated Billing Charge Revenue				
Total Delivery Revenue Target for RDM	\$ 47,120,958	\$ 71,086,837		\$ 99,861,778
Actual Base Delivery Revenue	\$ 43,527,389	\$ 70,271,056		\$ 99,710,723
Less: Revenue for TC customers that migrate to firm service	\$ (483)	\$ (571,041)		\$ (1,411,133)
Add discounts back in	\$ 612,919	\$ 334,432		
Plus: Weather Normalization Adjustment	<u>\$ -</u>	<u>\$ 3,139,737</u>		<u>\$ 5,274,259</u>
Total Delivery Revenue Including Weather Normalization	\$ 44,139,825	\$ 73,174,184		\$ 103,573,849
Target # of Customers (avg open and active meters)	14,757	36,531		18,533
Actual # of Customers (avg open and active meters)	<u>14,721</u>	<u>35,655</u>		<u>18,198</u>
# of Customers Over/(Under) Target	(36)	(876)		(335)
Less: Customer migration between SC2-1 and SC2-2	<u>640</u>	<u>(640)</u>		
# of Customers Over/(Under) Target (excluding SC2 migration)	(676)	(236)		(335)
Average Annual dth Usage for the Class	897	398		1,702
Marginal Delivery Cost - \$ per dth	\$ 1.04	\$ 1.04		\$ 1.04
Marginal Delivery Cost per Customer per Year	\$ 1,419.62	\$ 1,419.62		\$ 2,178.00
Total Revenue Adjustment per Customer	\$ 2,352.50	\$ 1,833.54		\$ 3,948.08
Adjustment to Actual Revenue due to # of customers	\$ -	\$ -		\$ -
Adjusted Revenue Collection Difference	\$ 2,981,133	\$ (2,087,346)	\$ 893,787	\$ (3,712,071)
Current Year Interest			\$ 36,964	\$ (161,086)
Total Under(Over) Collection			\$ 930,751	\$ (3,873,157)
Forecast Dekatherms May 1, 2018- April 30, 2019			28,287,847	32,708,549
Rate Per Dth			\$ 0.0329	\$ (0.1184)
Rate Per Therm			\$ 0.0033	\$ (0.0118)

The Brooklyn Union Gas Company d/b/a National Grid NY (formerly "KEDNY") Gas Efficiency Programs

ATTACHMENT D

2018 CEF Collections	Source Order Authorizing Collections	Period	2018 Amount
	Appendix I issued 1/21/16	01/01/2018-12/31/2018	\$7,405,192
Total 2018 CEF Collections			\$7,405,192

Clean Energy Fund Calculation

	January - December 2018 Firm Volume Sales and Transportation (therms)	Authorized CEF 2018 Collections	2018 CEF Surcharge (\$/th)
<u>2018 CEF Calculation</u>			
1A, 1AR, 1B, 1BR, 1BI, 1B-DG, 2-1, 2-2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2-1, 17-CTS 2-2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B, and 17-CTS 7	1,446,671,890	\$7,405,192	\$ 0.0051
Inclusion of Lost Revenues as filed to be effective <u>May 1, 2018 through April 30, 2019 applicable to:</u>			
1A, 1AR, 4A, 4B, 7, 17-CTS 1A, 17-CTS 4A, 17-CTS 4B, and 17-CTS 7	124,987,921	\$145,476	\$ 0.0012
<u>Interest</u>	124,987,921	\$2,659	\$ 0.0000
Total Lost Revenue		\$148,135.41	\$ 0.0012
<u>CEF Factor Effective January 1, 2018</u>			
1B, 1BR, 1BI, 1B-DG, 2-1, 2-2, 3, -CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2-1, 17-CTS 2-2, 17-CTS 3		\$	\$ 0.0051
1A, 1AR, 4A, 4B, 7, 17-CTS 1A, 17-CTS 4A, 17-CTS 4B, and 17-CTS 7		\$	\$ 0.0063
<u>Under/(Over) Collection CY 2017</u>			
1A, 1AR, 1B, 1BR, 1BI, 1B-DG, 2-1, 2-2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2-1, 17-CTS 2-2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B, and 17-CTS 7	1,446,671,890	\$396,197	\$ 0.0003
<u>Interest</u>	1,446,671,890	\$5,280	\$ 0.0000
Total Under/(Over) Collection CY 2017		\$401,477.27	\$ 0.0003
<u>Total CEF Factor Effective May 1, 2018</u>			
1B, 1BR, 1BI, 1B-DG, 2-1, 2-2, 3, -CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2-1, 17-CTS 2-2, 17-CTS 3		\$	\$ 0.0054
1A, 1AR, 4A, 4B, 7, 17-CTS 1A, 17-CTS 4A, 17-CTS 4B, and 17-CTS 7		\$	\$ 0.0066