



Dawn M. Herrity
Principle Program Manager
Regulatory Pricing

March 13, 2015

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

Dear Secretary Burgess:

In accordance with the Commission's "Order Concerning Proposed Revenue Decoupling Mechanism" dated December 22, 2009 in the above-captioned proceeding, The Brooklyn Union Gas Company d/b/a National Grid NY (the "Company") hereby submits:

Statement No. 7 – Statement of Revenue Decoupling Mechanism
Statement No. 11 – Statement of System Benefits Charge
Schedule to Gas Service, P.S.C. No. 12-GAS
Effective Date: May 1, 2015

The Order approved the Joint Proposal ("JP") filed by the Company on September 25, 2009 to implement a Revenue Decoupling Mechanism. In compliance with the JP, Section VI.1.B., the Company is submitting its Revenue Decoupling Mechanism Reconciliation (Attachment A). Additionally, the Company is submitting a "Customer Count Proxy Analysis" (Attachment B) as directed by JP, Section VI.3.

The calendar year 2014 reconciliation shows an under-recovery of the anticipated Allowed Delivery Service Revenues of \$4,663,751.06, including interest. The RDM reconciliation of calendar year 2012 resulted in a \$4,150,571.39 surcharge to customers. The reconciliation of this period's collection shows an over-collection of \$314,122.48, including interest. This results in a total reconciliation of \$4,349,628.58, including interest and a Revenue Decoupling Mechanism factor surcharge of \$0.0061/therm. The surcharge will be included in the Delivery Rate Adjustment for Service Classification Nos. 1B, 1BR, 1BI, 17-1B, 17-1BR, and 17-1BI effective May 1, 2015.

The 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 3% difference in the customer counts.

Honorable Secretary Burgess
Page 2
March 13, 2015

In addition, the Company will be updating its System Benefits Charge (“SBC”) to recover lost revenues plus interest for all firm service classifications excluding the residential heating class pursuant to the JP, Section VI.2A. The lost revenues plus interest associated with energy efficiency programs for the period January through December 2014 for the Company’s firm service classifications other than residential heating totaled \$1,579,567, including interest. The resultant SBC factor applicable to all firm service classification other than residential heating, effective May 1, 2015 is \$0.0257/per therm. The workpaper detailing this adjustment to the SBC factor is contained in Attachment C.

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

Respectfully Submitted,

/s/ Dawn M. Herrity

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Enclosures

cc: Active Parties – Case 06-G-1185

The Brooklyn Union Gas Company d/b/a National Grid NY - Case 06-G-1185

	<u>Annual Calc</u>	<u>Forecast Thruput May 1, 2015 - April 30, 2016</u>	<u>Rate Per Dth</u>	<u>Rate Per Therm</u>
		Dth		
SC 1 Residential Heating				
Target Revenue Per Customer	\$ 668.39			
Actual Number of Customers	570,131			
Actual Delivery Revenue	\$ 376,509,396.71			
Actual Revenue Per Customer	\$ 660.39			
RPC Variance (Target - Actual)	\$ 8.00			
Variance times Customers	\$ 4,562,817.03			
Dollars to be Collected	\$ 4,562,817.03			
<u>Interest on CY 2014 Balance</u>	<u>\$ 100,934.03</u>			
CY 2014 Balance	\$ 4,663,751.06			
CY 2012 Over-recovery	(162,087.70)			
<u>Interest on CY 2012 Imbalance</u>	<u>\$ (152,034.78)</u>			
CY 2012 Imbalance	\$ (314,122.48)			
Total Dollars to be Surcharged/ (Credited)	\$ 4,349,628.58	71,001,444	\$ 0.0613	\$ 0.0061

[illegible]

ATTACHMENT C

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

<u>2015 EEPS Collections</u>	<u>Source Order Authorizing Collections</u>	<u>Period</u>	<u>2015 Amount</u>
	Table 8; Case 07-M-0548 October 25, 2011	01/01/2015 - 12/31/2015	\$30,013,154
Total 2015 EEPS Collections			\$30,013,154

	Firm Sales and Transportation Volumes (therms)	Collections	SBC Surcharge (\$/th)
EEPS Authorized Collections			
Effective Jan. 1, 2015 through Dec. 31, 2015			
<u>applicable to:</u>			
1A, 1AR, 1B, 1BR, 1BI, 1B-DG, 2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B and 17-CTS 7	1,299,908,364	\$30,013,154	\$0.02309
Lost Revenues			
Effective May 1, 2015 through Apr. 30, 2016			
<u>applicable to:</u>			
1A, 1AR, 2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B and 17-CTS 7	704,727,663	\$1,577,497	\$0.00224
<u>Plus Interest</u>	704,727,663	<u>\$2,070</u>	<u>\$0.00000</u>
Total Lost Revenues		\$1,579,567	\$0.00224
SBC Imbalance			
Historical Under/(Over) Collection CY 2010 - 2013			
Effective Jan. 1, 2015 through Dec. 31, 2015			
<u>applicable to:</u>			
1A, 1AR, 1B, 1BR, 1BI, 1B-DG, 2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 1B, 17-CTS 1BR, 17-CTS 1BI, 17-CTS 2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B and 17-CTS 7	1,299,908,364	\$578,889	\$0.00045
<u>Plus Interest</u>	1,299,908,364	<u>(\$74,450)</u>	<u>-\$0.00006</u>
Total Historical Under/(Over) Collection CY 2010 - 2013		\$504,439	\$0.00039
Total SBC Factor Effective May 1, 2015			
1B, 1BR, 1BI, 1B-DG, 17-CTS 1B, 17-CTS 1BR and 17-CTS 1BI			\$0.02348
1A, 1AR, 2, 3, 4A, 4B, 7, 17-CTS 1A, 17-CTS 1AR, 17-CTS 2, 17-CTS 3, 17-CTS 4A, 17-CTS 4B and 17-CTS 7			\$0.02572