



Dawn M. Herrity
Principle Program Manager
Regulatory Pricing

December 16, 2014

VIA ELECTRONIC MAIL

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 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard

Case 09-G-0363 – Petitions for Approval of Energy Efficiency Portfolio Standard (EEPS) Gas Energy Efficiency Programs

Dear Secretary Burgess:

Enclosed please find a revised System Benefits Charge (“SBC”) Statement, issued by KeySpan Gas East Corporation d/b/a National Grid (hereinafter “the Company”), in compliance with the requirements of the Public Service Commission of the State of New York (“Commission”):

System Benefits Charge Statement No. 11
To PSC No. 1-GAS
Effective: January 1, 2015

The Company is updating its SBC to reflect the authorized collections in compliance with Ordering Clause No. 15 in Case 07-M-0548 dated October 25, 2011 “Order Authorizing Efficiency Programs, Revising Incentive Mechanism, and Establishing a Surcharge Schedule” (“October 25th Order”).

The Company began collecting SBC funds effective January 1, 2008 as set forth in the Commission’s Order Adopting Gas Rate Plans for KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island issued December 21, 2007 (“Dec. 21 Order”). In the Dec. 21 Order, the Company was authorized to collect \$10M annually for interim energy efficiency programs through 2012 subject to change as a result of subsequent Commission decisions in the EEPS proceeding. While the collection of SBC funds started January 1, 2008, the Company effectively began offering interim energy efficiency programs in the last quarter of 2007. For Calendar Years 2008 and 2009, the SBC factor was set on an authorized collection of

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\$10M annually. The SBC factor for Calendar Year 2010 was set on the \$10M authorized collection for the interim energy efficiency programs less the actual expenditures for the prior period August 2007 through December 2008, whereas the Calendar Year 2010 SBC factor should have been set at the EEPS authorization collections plus any remaining interim energy efficiency program funding. The SBC factor for Calendar Year 2011 was set on Commission-approved EEPS budgets less the under-collection of SBC funds for the prior period January 2009 through December 2009. For Calendar Years 2012, 2013, and 2014, the Company set the SBC factor to collect the upcoming calendar year's authorized EEPS funds as set forth in various Commission orders. Upon further review, the Company believes the setting of the SBC factor should also include a reconciliation of authorized collections versus actual collections as reported each June 1st for the prior calendar year to the Commission. This filing seeks to revise prior periods, including a correction of the Calendar Year 2010 SBC factor calculation, and utilize the proper SBC factor- setting methodology going forward beginning with January 1, 2015. In revising the prior periods, the Company did not include in its calculations any authorized collections for the interim gas energy efficiency programs beginning in 2010 due to diminishing program funding needs as the interim energy efficiency programs were replaced with EEPS programs.

The SBC Statement included in this filing reflects the corrected calculation of the SBC factor, along with prior period adjustments.

Attachment 1 lists the authorized Calendar Year 2015 collections as approved in the October 25th Order, Appendix 2 – Table 8. Attachment 2 details the prior period authorized and actual EEPS collection

If you have any questions regarding this filing, please contact me at (929) 324-4580 or Dawn.Herrity@nationalgrid.com.

Sincerely,

Dawn M. Herrity

Dawn M. Herrity
Principle Program Manager
Regulation & Pricing

/dh
Att.

KeySpan Gas East Corporation d/b/a National Grid (formerly "KEDLI") Gas Efficiency Programs

ATTACHMENT 1

<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	\$ 19,636,158
Total 2015 EEPS Collections			\$ 19,636,158

System Benefits Charge Calculation

	<u>2015 Calendar Year Firm Volume Sales and Transportation (therms)</u>	<u>Authorized Energy Efficiency 2015 Collections</u>	<u>2015 SBC Surcharge (\$/th)</u>
<u>2015 SBC Calculation</u>			
1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 5-1A, 5-1AR, 5-1B, 5-1BR, 5-2, 5-3, 5-15, 5-16, 15, and 16	895,282,106	\$19,636,158	\$0.021933
Inclusion of Lost Revenues as filed to be effective <u>June 1, 2014 through April 30, 2015 applicable to:</u> 1A, 1AR, 2, 3, 5-1A, 5-1AR, 5-2, 5-3, 5-15, 5-16, 15, and 16			\$0.005670
<u>SBC Factor Effective January 1, 2015</u> 1B, 1BR, 1B-DG, 5-1B, and 5-1BR			\$0.021933
1A, 1AR, 2, 3, 5-1A, 5-1AR, 5-2, 5-3, 5-15, 5-16, 15, and 16			\$0.027603
<u>Historial Under/(Over) Collection CY 2010 - 2013</u> 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 5-1A, 5-1AR, 5-1B, 5-1BR, 5-2, 5-3, 5-15, 5-16, 15, and 16	895,282,106	\$962,788	\$0.001075
<u>Interest</u> Total Under/(Over) Collection CY 2010 - 2013	895,282,106	\$3,861	<u>\$0.000004</u> \$0.001080
<u>Total SBC Factor Effective January 1, 2015</u> 1B, 1BR, 1B-DG, 5-1B, and 5-1BR			\$0.023013
1A, 1AR, 2, 3, 5-1A, 5-1AR, 5-2, 5-3, 5-15, 5-16, 15, and 16			\$0.028683

**KeySpan Gas East Corporation d/b/a National Grid
(formerly "KEDLI") Gas Efficiency Programs**

ATTACHMENT 2

Historical SBC Reconciliations

2010				
<u>Authorized Collections</u>	<u>Actual Collections</u>	<u>Reconciled Aug 07-Dec 08 Under/(Over) Collected</u>	<u>Actual - Reconciled</u>	<u>Difference</u>
\$ 11,479,536	\$ 8,759,027	\$ (2,561,433)	\$ 11,320,460	\$ 159,076

2011				
<u>Authorized Collections</u>	<u>Actual Collections</u>	<u>Reconciled 2009 Under/(Over) Collected</u>	<u>Actual - Reconciled</u>	<u>Difference</u>
\$ 16,171,077	\$ 17,561,852	\$ 728,398	\$ 16,833,454	\$ (662,377)

2012				
<u>Authorized Collections</u>	<u>Actual Collections</u>			<u>Difference</u>
\$ 7,654,174	\$ 7,887,379			\$ (233,205)

2013				
<u>Authorized Collections</u>	<u>Actual Collections</u>			<u>Difference</u>
\$ 10,790,871	\$ 9,091,578			\$ 1,699,293

Under/(Over) Collected
\$ 962,788

Note: Above calculations do not include any authorized collections for the KEDLI interim gas programs beginning in 2010 due to diminishing program funding needs as interim programs were replaced with EEPS programs.