



March 14, 2014

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-1186 – Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National
Grid – 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, KeySpan Gas East Corporation d/b/a National Grid (the "Company") hereby submits:

Statement No. 5 – Statement of Revenue Decoupling Mechanism
Schedule to Gas Service, P.S.C. No. 1-GAS
Effective Date: May 1, 2014

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 reconciliation shows an underage of the anticipated Allowed Delivery Service Revenues of \$101,573.78, including interest. The RDM reconciliation of 2011 resulted in a \$3,195,527.63 credit to customers. The reconciliation of this period collection shows an overcollection of \$145,667.57, including interest. This results in a total reconciliation of \$44,093.79, including interest and a Revenue Decoupling Mechanism factor credit of \$0.0001/therm. The credit will be included in the Delivery Rate Adjustment for Service Classification Nos. 1B, 1BR, 5-1B and 5-1BR effective May 1, 2014.

Hon. Secretary Burgess
Page 2
March 14, 2014

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 1% difference in the customer counts.

The Company has, in previous filings, updated 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.2.A. However, the Company has determined that there has been an error in the therm savings used to calculate lost revenues for installed energy efficiency measures. The Company will file an updated SBC Statement, along with any prior period adjustments, after it has determined the correct measure savings to be used for this calculation. The Company will make this filing no later than May 15, 2014 to become effective June 1, 2014.

Please contact the undersigned at (718) 403-2975 or Dawn.Herrity@nationalgrid.com if you have questions or require further information.

Yours truly,

/s/ Dawn M. Herrity

Dawn M. Herrity
Manager, NY Gas Pricing

Enclosures

cc: Active Parties – Case 06-G-1186

KeySpan Gas East Corporation d/b/a National Grid - Case 06-G-1186

	<u>Annual Calc</u>	<u>Forecast Thruput May 1, 2014 - April 30, 2015</u>	<u>Rate Per Dth</u>	<u>Rate Per Therm</u>
		Dth		
SC 1 Residential Heating				
Target Revenue Per Customer	\$ 784.52			
Actual Number of Customers	388,691			
Actual Delivery Revenue	\$ 304,831,827.16			
Actual Revenue Per Customer	\$ 784.25			
RPC Variance (Target - Actual)	\$ 0.26			
Variance times Customers	\$ 101,981.25			
Dollars to be Collected	\$ 101,981.25			
Interest on CY 2013 Balance	\$ (407.47)			
CY 2013 Balance	\$ 101,573.78			
CY 2011 Over-recovery	(121,586.95)			
Interest on CY 2011 Recovery	\$ (24,080.62)			
CY 2011 Imbalance	\$ (145,667.57)			
Total Dollars to be Surcharged/ (Credited)	\$ (44,093.79)	45,513,865	\$ (0.0010)	\$ (0.0001)

Note: Actual number of customers was adjusted to reflect customers that were backbilled final due to Sandy

KeySpan Gas East Corporation d/b/a National Grid - Case 06-G-1186

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total
EQB 30 day	404,159	391,678	371,288	384,430	397,239	396,465	398,934	392,393	402,272	394,948	385,643	413,975	394,452
O&A Meters	384,267	385,392	386,327	387,441	387,928	388,276	388,603	389,215	390,663	392,247	394,366	394,693	389,118
													5,334
													1%

Note: Does not reflect adjustment due to Sandy