



May 15, 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. 10 – Statement of System Benefits Charge
Schedule to Gas Service, P.S.C. No. 1-GAS
Effective Date: June 1, 2014

On March 14, 2014 the Company filed its annual Revenue Decoupling Mechanism ("RDM") Reconciliation in compliance with the JP, Section VI.1.B. The Company had, in previous filings, updated its System Benefits Charge ("SBC") to recover lost revenues for all firm service classifications, excluding the residential heating class, with the annual RDM reconciliation. However, the Company determined that there was an error in the therm savings used to calculate lost revenues for installed energy efficiency measures. This filing contains an updated SBC Statement to reflect the corrected lost revenues, along with prior period adjustments.

Attachment 1 contains the revised lost revenues for prior periods and the current period using corrected therm savings for both the Interim Programs and Energy Efficiency Portfolio Standard Programs. Attachment 2 contains the calculation of the updated SBC factors.

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

SBC Lost Revenues**ATTACHMENT 1****KEDLI**

| | <u>Period</u> | <u>Filed</u> | <u>SBC Lost Revenue</u> a | <u>Revised Interim</u> b | <u>Revised EEPS</u> c | <u>Revised Total SBC Lost Revenues</u> b + c = d | <u>Over/(Under) Recovered</u> d - a = e | |
|----|--|--------------|------------------------------|---------------------------------|--------------------------|---|--|-----------|
| 1. | Aug 2007 - Dec 2010 | 3/15/2011 | \$1,534,069.76 | \$1,441,132.27 | \$63,138.71 | \$1,504,270.97 | -\$29,798.78 | |
| 2. | CY 2011 | 3/15/2012 | \$1,214,669.94 | \$1,083,221.98 | \$216,569.56 | \$1,299,791.54 | \$85,121.60 | |
| 3. | CY 2012 | 3/15/2013 | \$1,425,378.44 | \$1,020,670.18 | \$350,371.51 | \$1,371,041.69 | -\$54,336.75 | |
| | | | | <u>Interim</u> b | <u>EEPS</u> c | <u>Total SBC Lost Revenue</u> b + c = d | | |
| 4. | CY 2013 Extension | | | \$985,591.12 | \$530,568.30 | \$1,516,159.42 | | |
| 5. | Total Revised Lost Revenues | | \$4,174,118.14 | | | \$5,691,263.63 | \$1,517,145.49 | - |
| 6. | Reconciliation of Recoveries versus Filed | | | | | | <u>\$655,609.59</u> | |
| 7. | Total Lost Revenue | | | | | | \$2,172,755.09 | |
| | Unitized per dth Lost Revenue Component of SBC | | | Throughput for 6/1/14 - 4/30/15 | | 383,207,620 | \$0.0057 | per therm |

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

ATTACHMENT 2

| 2014 EEPS Collections | Source Order Authorizing Collections | Period | 2014 Amount |
|------------------------------------|--|-------------------------|---------------------|
| | Table 8; Case 09-G-0363 January 4, 2010 | 01/01/2014 - 12/31/2014 | \$76,702 |
| | Table 8; Case 07-M-0548 October 25, 2011 | 01/01/2014 - 12/31/2014 | \$18,742,263 |
| Total 2014 EEPS Collections | | | \$18,818,965 |

System Benefits Charge Calculation

| | 2014 Calendar Year Firm Volume Sales and Transportation (therms) | Authorized Energy Efficiency 2014 Collections | 2014 SBC Surcharge (\$/th) |
|--|---|---|-------------------------------|
| <u>Total 2014 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 | 908,747,294 | \$18,818,965 | \$0.0207 |
| <u>Inclusion of Lost Revenues as filed to be effective June 1, 2014 applicable to:</u> | | | |
| 1A, 1AR, 2, 3, 5-1A, 5-1AR, 5-2, 5-3, 5-15, 5-16, 15, and 16 | | | \$0.0057 |
| <u>Total SBC Factor Effective June 1, 2014</u> | | | |
| 1B, 1BR, 1B-DG, 5-1B, and 5-1BR | | | \$0.0207 |
| 1A, 1AR, 2, 3, 5-1A, 5-1AR, 5-2, 5-3, 5-15, 5-16, 15, and 16 | | | \$0.0264 |