



Dawn M. Herrity
Principal Program Manager
Regulation & Pricing

March 15, 2016

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. 7 – Statement of Revenue Decoupling Mechanism
Statement No. 17 – Statement of System Benefits Charge
Schedule to Gas Service, P.S.C. No. 1-GAS
Effective Date: May 1, 2016

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 2015 reconciliation shows an over-recovery of the anticipated Allowed Delivery Service Revenues of \$5,805,445.07, including interest. The RDM reconciliation of calendar year 2013 resulted in a \$101,573.78 surcharge to customers. The reconciliation of this period's collection shows an over-collection of \$21,470.83, including interest. This results in a total reconciliation of \$5,783,974.24, including interest and a Revenue Decoupling Mechanism factor credit of \$0.0118/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, 2016.

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 2% difference in the customer counts.

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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 2015 for the Company’s firm service classifications other than residential heating totaled \$1,946,682, including interest. The resultant SBC factor applicable to all firm service classification other than residential heating, effective May 1, 2016 is \$0.0016/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