



April 18, 2011

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire Plaza
Albany, New York 12223

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 KeySpan Energy Delivery Long Island – Revised Revenue Decoupling Mechanism

Dear Secretary Brillling:

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

Statement No. 2 – Statement of Revenue Decoupling Mechanism
Schedule to Gas Service, P.S.C. No. 1-GAS
Effective Date: May 1, 2011

On March 15, 2011, the Company filed its Revenue Decoupling Mechanism compliance filing with the Commission. After discussions with Staff, it was determined that a revision to the RDM surcharge was necessary.

The revised Revenue Decoupling Mechanism Reconciliation shows an overage of the anticipated Allowed Delivery Service Revenues of \$2,211,223.29, including interest (Attachment A). The original lost revenues plus interest associated with energy efficiency programs for residential heating for the period August 2007 through December 2009 (prior to the inception of revenue decoupling in January 2010) in the amount of \$523,832.59 have been netted against this overage. This results in a net reconciliation of \$1,687,390.70 and a revised Revenue Decoupling Mechanism factor credit of \$.0035 per 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, 2011.

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

Yours truly,

Dawn Herrity
Lead Analyst

Enclosures

cc: Active Parties – Case 06-G-1186