



March 15, 2012

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

**RE: CASE 06-G-1185 – Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a
National Grid NY – 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"), The Brooklyn Union Gas Company d/b/a National Grid NY ("Company") hereby submits:

Statement No. 3 – Statement of Revenue Decoupling Mechanism
Schedule to Gas Service, P.S.C. No. 12-GAS
Effective Date: May 1, 2012

The Order adopted 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). Pursuant to the JP, Section VI.2.A., recovery of Lost Revenue is to be included with the RDM reconciliation. Additionally, the Company is submitting a "Customer Count Proxy Analysis" (Attachment B), as directed by JP, Section VI.3.

The reconciliation shows a shortfall of the anticipated Allowed Delivery Service Revenues of \$3,838,041, including interest. This results in a Revenue Decoupling Mechanism factor surcharge of \$.0051 per therm. The surcharge will be included in the Delivery Rate Adjustment for Service Classification Nos. 1B, 1BR, 1BI, 17-1B, 17-1BR, and 17-1BI effective May 1, 2012.

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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.

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

Yours truly,

Dawn Herrity
Regulation & Pricing

Enclosures

cc: Active Parties – Case 06-G-1185

The Brooklyn Union Gas Company d/b/a National Grid - Case 06-G-1185

	<u>Annual Calc</u>	<u>Forecast Thruput May 1, 2012 - April 30, 2013</u>	<u>Rate Per Dth</u>	<u>Rate Per Therm</u>
		Dth		
SC 1 Residential Heating				
Target Revenue Per Customer	\$ 653.45			
Actual Number of Customers	552,675			
Actual Delivery Revenue	\$ 357,411,208.82			
Actual Revenue Per Customer	\$ 646.69			
RPC Variance (Target - Actual)	\$ 6.75			
Variance times customers	\$ 3,733,305			
Dollars to be collected	\$ 3,733,305			
Interest on RDM balance	<u>\$ 104,742</u>			
Total Dollars to be Surcharged/ Credited	\$ 3,838,047	75,781,988	\$ 0.0506	\$ 0.0051

Attachment B

The Brooklyn Union Gas Company d/b/a National Grid - Case 06-G-1185

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