

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S ELECTRIC REVENUE : **DOCKET NO. 5258**
DECOUPLING MECHANISM RECONCILIATION FILING :
FOR THE YEAR ENDING MARCH 31, 2022 :

ORDER

On May 13, 2022, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its Revenue Decoupling Mechanism Reconciliation with the Public Utilities Commission (Commission or PUC) pursuant to R.I. Gen. Laws § 39-1-27.7.1 and RIPUC No. 2073.¹ National Grid proposed a Revenue Decoupling Mechanism Adjustment Factor (Factor) of a \$0.00003//kWh credit for effect July 1, 2022. On June 13, 2022, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of the proposed credit Factor.² At an Open Meeting held on June 21, 2022 the Commission approved the credit Factor for effect July 1, 2022.

The Company is required to submit its annual Revenue Decoupling Mechanism (RDM) reconciliation by May 15 of each year for the fiscal year ending on March 31 (RDM Year). The Company’s RDM reconciliation compares the Annual Target Revenue to actual billed distribution revenue for the RDM Year. The Annual Target Revenue is the annual distribution revenue requirement, as approved by the PUC in a general rate case, less any adjustments to that revenue requirement that have been approved by the PUC. The RDM Reconciliation Amount is the difference (either positive or negative) between the actual billed distribution revenue and the

¹ National Grid’s 2022 Electric Revenue Decoupling Mechanism Reconciliation Filing (May 13, 2022). Pursuant to the Commission’s decision in Docket No. 4206, Order No. 20745 (May 25, 2012), National Grid is required to file a Decoupling Reconciliation Adjustment Factor with the Commission each year by May 15. All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <https://ripuc.ri.gov/docket-no-5258>.

² Division Mem. (June 13, 2022).

Annual Target Revenue for the RDM Year. The RDM Reconciliation Amount, including interest at the rate paid on customer deposits, is the basis for the Factor. The Factor is a uniform per-kWh charge or credit that is applicable to all customers and is typically effective for usage on and after July 1.³

In support of its filing, National Grid submitted the direct testimony and schedules of Daniel E. Gallagher, Analyst for New England Pricing in the Strategy and Regulation Department of National Grid USA Service Company, Inc. To calculate the RDM Reconciliation amount, Mr. Gallagher deducted the annual target revenue of \$299,305,226 from the billed distribution revenue of \$299,319,830 for the reconciliation period.⁴ Mr. Gallagher proposed a credit Factor of \$0.00003/kWh for effect on July 1, 2022. The proposed credit Factor is designed to return the net over-recovery balance resulting from: (1) the over-recovery of \$221,124; (2) unbilled last resort service billing adjustments presented to the PUC in the Company's 2022 Annual Retail Rate filing, of \$4,344; and (3) interest at the rate paid on customer deposits of \$2,467.⁵ Mr. Gallagher calculated the credit Factor by dividing the total amount to be credited to customers by the forecasted kWh deliveries for July 1, 2022 to June 30, 2023 of 7,384,435,372.⁶

On June 13, 2022, the Division filed a memorandum recommending approval of National Grid's proposed 2022 credit Factor of \$0.00003/kWh.⁷ It concluded that the credit Factor was correctly calculated.

At an Open Meeting held on June 21, 2022, based on its review of the Company's filings and the Division's recommendation, the PUC voted unanimously to approve National Grid's proposed 2022 credit Factor of \$0.00003/kWh for effect on July 1, 2022.

³ Test. of Daniel E. Gallagher at 5 (May 13, 2022).

⁴ Gallagher Test. at 5-6; Sch. DEG-1 at 3,4.

⁵ Gallagher Test. at 2-3; Sch. DEG-1 at 1.

⁶ RDM Filing, Sch. DEG-1 at 1.

⁷ Division Mem. at 2.

Accordingly, it is hereby

(24614) ORDERED:

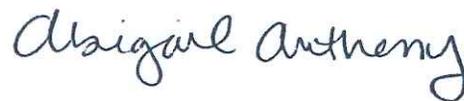
The Narragansett Electric Company d/b/a National Grid's proposed 2022 Revenue Decoupling Mechanism Reconciliation Adjustment Credit Factor of \$0.00003/kWh for effect on July 1, 2022 is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2022 PURSUANT TO AN OPEN MEETING DECISION ON JUNE 21, 2022. WRITTEN ORDER ISSUED MAY 16, 2023.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



John C. Revens, Jr., Commissioner



NOTICE OF RIGHT TO APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.