

## Division of Public Utilities and Carriers

### Memorandum

To: Luly Massaro

Date: June 18, 2014

From: Stephen Scialabba  
Division of Public Utilities

Subject: National Grid RDM Reconciliation Filing for the Period April 1, 2013-March 31, 2014.  
Docket 4505

On May 15, 2014, National Grid filed its annual Revenue Decoupling Mechanism (RDM) reconciliation for the 12 month period ending March 31, 2014. The filing is submitted in compliance with RIGL 39-1-27.7.1 and pursuant to its tariff No. 2073. The RDM was approved by the Commission in Docket 4206, in Order No. 20745.

The Company tracked revenues (“actual billed distribution revenues”) applicable to kWh sales occurring between April 1, 2013 and March 31, 2014, the RDM measurement year. The billed revenue, after adjustment to credit back to customers a \$16,000 service quality penalty as well as the final balance of the FY 2012 RDM reconciliation of \$64,520, was then compared to the annual target revenue (“ATR”) to arrive at the RDM factor. The annual target revenue of \$251,173,000 was approved by the PUC in the last rate case, Docket 4323, and is traceable to the compliance schedules filed in that docket. The actual billed revenue for 4/1/13-3/31/14 was \$251,233,305.

After inclusion of the service quality penalty, interest, and the 2012 RDM final reconciliation balance described above, the total RDM overcollection to be refunded is \$144,218. When divided by the forecasted kwh deliveries, the proposed RDM adjustment credit factor is \$(0.00001). Application of the proposed 2014 RDM credit factor will result in a small bill increase of about 22 cents for a 500 kwh customer as the 2013 RDM factor expiring on June 30 is a slightly higher credit factor. The Division recommends approval of the proposed RDM credit factor of \$(0.00001) per kwh, effective July 1, 2014.