

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID'S FY 2014 ELECTRIC REVENUE : DOCKET NO. 4505
DECOUPLING MECHANISM RECONCILIATION FILING :**

ORDER

On May 15, 2014, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its Revenue Decoupling Mechanism (RDM) adjustment factor with the Public Utilities Commission (Commission or PUC) pursuant to R.I. Gen. Laws § 39-1-27.7.1 and R.I.P.U.C. No. 2073.¹ The RDM reconciliation adjustment factor recovers the RDM reconciliation balance accrued during the prior twelve-month period from April 1 through March 31.² National Grid is authorized to recover, or credit, the RDM reconciliation balance from, or to, ratepayers during the prospective twelve-month period from July 1 through June 30.

In support of its filing, National Grid submitted the Direct Testimony and Schedules of Nancy Ribot, Senior Analyst for Electric Pricing New England in the Regulation and Pricing Department of National Grid USA Service Company, Inc.³ Ms. Ribot proposed an RDM reconciliation adjustment factor of (\$0.00001)/kWh for effect on July 1, 2014.⁴ The proposed RDM reconciliation adjustment factor is designed to reconcile an over-collection of \$114,218 for the twelve-month period ending March 31, 2014. In arriving at the over-collection balance, Ms.

¹ Pursuant to the Commission's decision in Docket No. 4206, Order No. 20745 (May 25, 2012), National Grid is required to file an RDM 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 <http://www.ripuc.org/eventsactions/docket/4505page.html>.

² The RDM reconciliation balance is the difference between the Company's annual target revenue, which is the Company's revenue requirement approved by the Commission in the most recent base distribution rate case, and actual billed distribution revenue during the previous twelve months. The billed distribution revenue is the total of any and all revenues generated from the Company's base distribution rates, such as customer charges, distribution energy charges, demand charges, high voltage metering, and delivery credits.

³ Ribot Direct (May 15, 2014).

⁴ *Id.* at 2.

Ribot calculated the difference between the annual target revenue of \$251,173,000 and billed distribution revenue of \$251,233,305 for the RDM reconciliation period.⁵ Interest of \$2,241 and a \$16,000 Service Quality Plan penalty are included in the calculation.⁶ A balance of \$64,520 from the 2012 RDM Year over-collection of \$1,141,818 remains to be credited to customers, the residual balance of which as of June 30, 2014, plus interest, will be refunded to customers.⁷ Mr. Ribot reported that a typical residential customer using 500 kWh per month would experience a monthly increase of 0.2% or \$0.22.⁸

On June 18, 2014, the Division of Public Utilities and Carriers (Division) filed a memorandum recommending approval of National Grid's proposed 2014 RDM Reconciliation Adjustment Factor of (\$0.00001/kWh).⁹

At an open meeting held on June 30, 2014, based on the recommendation of the Division, the PUC voted unanimously to approve National Grid's proposed 2014 RDM Reconciliation Adjustment Factor of (\$0.00001)/kWh for effect on July 1, 2014.

⁵ *Id.* at 4-5.

⁶ *Id.* at 6, Sch. NR-1 at 5.

⁷ Ribot Direct at 8.

⁸ Ribot Direct at 8.

⁹ Division Mem. (June 18, 2014).

Accordingly, it is

(22454) ORDERED:

The Narragansett Electric Company d/b/a National Grid's proposed 2014 RDM Reconciliation Adjustment Factor of (\$0.00001)/kWh for effect on July 1, 2014, is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2014 PURSUANT TO AN OPEN MEETING DECISION HELD ON JUNE 30, 2014. WRITTEN ORDER ISSUED JUNE 28, 2016.

PUBLIC UTILITIES COMMISSION

Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner*

Herbert F. DeSimone, Jr., Commissioner

*Commissioner Roberti participated in the decision but was unavailable to sign the Order.

NOTICE OF RIGHT OF 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.