

Division of Public Utilities and Carriers

Memorandum

To: Luly Massaro
Commission Clerk

Date: 6/10/15

From: Alberico Mancini
Division of Public Utilities and Carriers

Subject: National Grid RDM Reconciliation Filing for the Period April 1, 2014 through March 31, 2015.
Docket 4566

On May 14, 2015, National Grid filed its annual Revenue Decoupling Mechanism (RDM) reconciliation for the 12 month period ending March 31, 2015. 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, 2014 and March 31, 2015, the RDM measurement year. The billed revenue, after an adjustment to credit back to customers the final balance of the FY 2013 RDM reconciliation of \$9,342, 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 4/1/14 through 3/31/15 was \$244,327,003.

After inclusion of interest in the recovery period and the 2013 RDM final reconciliation credit described above, the total RDM under-collection to be recovered is \$7,050,662. When divided by the forecasted kWh deliveries, the proposed RDM adjustment factor is a charge of \$0.00091 per kWh. Application of the proposed 2015 RDM factor will result in a bill increase of 48 cents for a 500 kWh customer as the 2014 RDM factor expiring on June 30 is a credit factor of \$(0.00001).

The Division recommends approval of the proposed RDM adjustment factor of \$0.00091 per kWh, effective July 1, 2015.