



March 15, 2013

Honorable Jeffrey C. Cohen, Acting Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

**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 Acting Secretary Cohen:

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. 4 – Statement of Revenue Decoupling Mechanism
Statement No. 7 – Statement of System Benefits Charge
Schedule to Gas Service, P.S.C. No. 12-GAS
Effective Date: May 1, 2013

The Order approved 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 an underage of the anticipated Allowed Delivery Service Revenues of \$2,809,535.28, including interest. The RDM reconciliation of 2010 resulted in a \$7,261,663.44 surcharge to customers. The reconciliation of this period collection shows an undercollection of \$1,341,036.11, including interest. This results in a reconciliation of \$4,150,571.39 and a Revenue Decoupling Mechanism factor surcharge of \$0.0057/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, 2013.

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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.

In addition, the Company will be updating its System Benefits Charge ("SBC") to recover lost revenues plus interest for all firm service classifications excluding the residential heating class. Lost revenues plus interest associated with energy efficiency programs for the period January through December 2012 for the Company's firm service classifications other than residential heating totaled \$1,027,950.29 plus interest. The resultant SBC factor applicable to all firm service classification other than residential heating, effective May 1, 2013, is \$0.0162/per therm. The workpaper detailing this adjustment to the SBC factor is contained in Attachment C. At this time, the Company will not be recovering lost revenues from gas SBC-funded energy efficiency programs administered by NYSERDA. Participation levels have been relatively small in these programs. The Company is working with NYSERDA to develop monthly reporting that will capture the timing, nature and number of installations from NYSERDA utilizing the energy savings for each installation as established by the Commission.

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 NY - Case 06-G-1185

	<u>Annual Calc</u>	<u>Forecast Thruput May 1, 2013 - April 30, 2014</u>	<u>Rate Per Dth</u>	<u>Rate Per Therm</u>
		Dth		
SC 1 Residential Heating				
Target Revenue Per Customer	\$ 654.79			
Actual Number of Customers	558,282			
Actual Delivery Revenue	\$ 362,832,335.94			
Actual Revenue Per Customer	\$ 649.91			
RPC Variance (Target - Actual)	\$ 4.88			
Variance times Customers	\$ 2,726,937.97			
Dollars to be Collected	\$ 2,726,937.97			
<u>Interest on RDM Year 3 Balance</u>	<u>\$ 82,597.31</u>			
RDM Year 3 Balance	\$ 2,809,535.28			
RDM Year 1 (Jan 2010 - Dec 2010) Surcharge Under-recovery	\$ 1,247,011.33			
<u>Interest on RDM Year 1 Recovery</u>	<u>\$ 94,024.78</u>			
RDM Year 1 Imbalance	\$ 1,341,036.11			
Total Dollars to be Surcharged/ Credited	\$ 4,150,571.39	72,705,009	\$ 0.0571	\$ 0.0057

Note: Actual number of customers was adjusted to reflect customers that were backbilled final due to Sandy
: This adjustment included preliminary number at the time of this reconciliation

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

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total
EQB 30 day	581,192	551,624	578,995	576,274	573,668	580,610	564,198	578,281	572,402	549,797	551,414	583,025	570,123
O&A Meters	558,737	559,452	559,692	558,466	557,496	556,888	556,714	556,909	557,555	558,999	558,545	559,997	558,288
													11,836
													2%

Note: Does not reflect adjustment due to Sandy

KEDNY System Benefits Charge Updated to Include Lost Revenues
 Associated with SC Nos. 1A, 1AR, 2-1, 2-2, 3, 4A, 4B, 7, 17-1A, 17-1AR, 17-2-1, 17-2-2, 17-3, 17-4A, 17-4B, 17-7
 Factor will be updated for these service classifications only

Current SBC Factor	\$0.1460 per dth	\$0.0146 per therm
Lost Revenues Associated with SCs listed above for Calendar Year 2012	\$ 1,010,486.75	
Interest Calculated on Lost Revenues	<u>\$ 17,463.54</u>	
Total Lost Revenues to be Collected	\$ 1,027,950.29	
Forecasted Volumes for the SCs listed above for period May 2013 through April 2014 (dth)	65,715,049	
Adjustment to Current SBC Factor due to Lost Revenues	\$0.0156 per dth	\$0.0016 per therm
SBC Factor Effective May 1, 2013	\$0.1616 per dth	\$0.0162 per therm