



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
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MEMORANDUM

To: Luly Massaro

Date: March 1, 2010

From: Stephen Scialabba
Division of Public Utilities

Subject: National Grid Compliance Filing.

The Division has reviewed the compliance filings made by National Grid in this Docket. David Effron, the Division's primary revenue requirement witness has reviewed the Commission's open meeting decision of February 9. In addition to reviewing the open meeting transcript and the decision matrix, he and I participated in several discussions with company personnel to ensure our understanding of the decisions was consistent with the company's understanding. Mr. Effron has verified the revenue requirement effect of the various Commission determinations on the issues. In the opinion of the Division, the Company's calculation of the required increase in distribution rate revenues of \$16,231,000 is correct. This increase will provide National Grid-RI with a distribution revenue requirement of \$239,632,000¹, which includes \$7,981,000 of "Other Revenue" and \$231,651,000 in distribution rate revenue.

The Division's cost of service allocation and rate design witness, Dale Swan has also reviewed the compliance filings from the perspective of reviewing the company's allocation of the rate year revenues across the various rate classes. In addition to reviewing the open meeting transcript and the decision matrix, he and I participated in several discussions with company personnel to ensure our understanding of the decisions was consistent with the company's and TEC-RI's understanding. (I had separate conversations with TEC-RI, and I am aware that the company did as well to discuss

¹ Per Gorman HSG-4(C) Line 21, Total Distribution rev req is \$239,632,000.

Per O'Brien RLO-1(C) Rate Year Dist Rev of \$231,952,274 plus Other Rev \$7,679,155 totals \$239,631,429, which ties to Gorman. These are net of commodity cost tracker and transmission related uncollectibles.

compliance issues affecting TEC-RI's customers. Based on my understanding, TEC-RI is in agreement with the February 26 submission).

In the opinion of the Division, The compliance filing made on Friday, February 26 correctly allocates National Grid's revenue requirement in accordance with the Commission's open meeting determinations regarding allocators, class constraints, and rate design.