

DIVISION OF PUBLIC UTILITIES AND CARRIERS
MEMORANDUM

TO: LULY MASSARO

DATE: AUGUST 6, 2012

FROM: STEPHEN SCIALABBA
CHIEF ACCOUNTANT, DPUC

SUBJECT: DOCKET 4343. NATIONAL GRID CORRECTION TO BACK UP RATES B-32
AND B-62.

In this filing, Grid is seeking to clarify the language in its Back-Up Rate tariffs B-32 and B-62 to make it clear that the 10% coincidence factor is applied to the Operation and Maintenance and CapEx factors approved in its ISR Plans. The application of the 10% coincident peak factor provides the 90% discount on distribution demand charges to back-up customers. In administering the back-up tariff, when the present ISR factors were approved effective 4/1/12, Grid billed the factors in full (not with the 10% coincident peak factor applied) to the back-up customers. The Division believes that the O&M and CapEx factors should be subject to the discount, and believes the proposed tariff language appropriately clarifies this. The Company intends to refund the two affected customers the difference between what they were billed since 4/1/12 and what they should have been billed under the method of discounting the ISR factors associated with back-up service. Further, when base rates were changed on April 23, 2012 due to the remand of certain aspects of docket 4065, the Company applied the change in base rates in full to B-32 and B-62 customers, again without applying the 90% discount. This will also be a component of the refund to the back-up customers. The Division supports the clarification to the tariff language to the B-32 and B-62 tariffs.

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