



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS


DIVISION OF PUBLIC UTILITIES AND CARRIERS

89 Jefferson Boulevard
Warwick, R.I. 02888
(401) 941-4500

FAX (401) 941-9248
TDD (401) 941-4500

Memorandum

To: L. Massaro
Commission Clerk

From: A. Contente 
Utility Analyst, Division of Public Utilities & Carriers

Date: 6/17/2016

Re: National Grid Electric Revenue Decoupling Mechanism Reconciliation Filing, Year Ending March 31, 2016: RIPUC Docket #4617

On May 12, 2016 National Grid (“NGrid”, or “Company”) filed its Annual Revenue Decoupling Mechanism reconciliation (RDM) for the 12 month period ending March 31, 2016. 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, Order No. 20745.

The Company tracked revenues (“actual billed distribution revenues”) applicable to kWh sales occurring between April 1, 2015 and March 31, 2016, the RDM measurement year. The billed revenue, after an adjustment to credit back to customers the final balance of the FY 2014 RDM reconciliation of \$49,020 (an over-recovery flowed back to customers), and the addition of interest of \$82,928 accrued during the measurement year ended March 31, 2016, was compared to the annual target revenue (“ATR”). 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 4/1/15 through 3/31/16, prior to the aforementioned adjustments noted above, was \$244,507,420

After inclusion of interest in the measurement year and the 2014 RDM final reconciliation credit described above, the total RDM under-collection calculates to \$6,699,487. Two additional adjustments were performed prior to the calculation of the proposed billed factor. First, \$65,901 of standard offer billing adjustments were credited against the under-recovery, in accordance with the Commission’s policy decision in Docket 4556¹. Standard offer billing adjustments associated with customers moving to competitive energy suppliers were no longer to be billed to customers, but were to be recovered from all distribution customers of National Grid. The \$65,901 credit is the net of the billing adjustments through calendar 2015. The second adjustment was to credit the 2015 service quality penalty of \$184,000 against the RDM under-recovery. Applying these two adjustments has the effect of reducing the calculated RDM charge.

In accordance with the RDM tariff, NGrid proposed the 2017 factor for the RDM collection period of July 1, 2016 to June, 30, 2017. The collection factor proposed is \$.00085 per kWh for all rate classes. This is a reduction from last year’s RDM factor of \$.00091.

¹ Open meeting decision of July 1, 2015

The total impact to a typical residential customer consuming 500 kWhs a month will go from \$0.46 to \$0.43, a \$0.03 reduction.

The Division reviewed the filing and the Company's data responses and recommends approval of the proposed RDM Adjustment Factor of \$.00085 per kWh as filed.

Cc: Thomas Ahern,
Administrator, Division of Public Utilities and Carriers
Service List