

Memorandum

To: L. Massaro
Commission Clerk
From: A. Contente
Utility Analyst, Division of Public Utilities & Carriers
Date: 6/15/2017

Re: National Grid Electric Revenue Decoupling Mechanism Reconciliation Filing, Year Ending March 31, 2017: RIPUC Docket No. 4699

On May 15, 2017 National Grid (“NGrid”, or “Company”) filed its Annual Revenue Decoupling Mechanism reconciliation (RDM) for the 12 month period ending March 31, 2017. The filing is submitted in compliance with RIGL 39-1-27.7.1 and pursuant to tariff R.I.P.U.C. No. 2073. The RDM was approved by the Rhode Island Public Utilities Commission (“PUC”) within Docket 4206, Order No. 20745.

The Company tracked revenues (“actual billed distribution revenues”) applicable to kWh sales occurring between April 1, 2016 and March 31, 2017, the RDM measurement year. The billed revenue, including an adjustment to debit customers the final balance of the FY 2015 RDM reconciliation of -\$337,389 (an under-recovery), recovery period, was compared to the annual target revenue (“ATR”). The ATR 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 4/1/16 through 3/31/17, prior to the aforementioned adjustment noted above, was \$243,794,748.

After inclusion of interest in the measurement year and the 2015 RDM final reconciliation debit described above, the total RDM under-collection calculates to \$7,797,234. Additional adjustments were performed prior to the calculation of the proposed billed factor. Standard offer billing adjustments of \$835,087 were added to the under-recovery, in accordance with the Commission’s policy decision in Docket 4556¹. Finally, there is an addition of interest of \$120,013 calculated to be accrued during the recovery period of the proposed RDM factor.

In accordance with the RDM tariff, NGrid proposed the 2018 factor for the RDM collection period of July 1, 2017 to June, 30, 2018. The collection factor proposed is \$.00118 per kWh for all rate classes. This is an increase from last year’s RDM factor of \$.00085.

¹ Open meeting decision of July 1, 2015. Subsequent RIPUC Order #22444, 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 electric distribution customers of National Grid.

The total impact to a residential customer consuming 500 kWhs a month will go from \$0.43 to \$0.59, a \$0.16 increase.

The Division reviewed the filing and the Company's data responses and we believe it is correctly calculated and is in accordance with the approved tariff. We recommend approval of the proposed RDM Adjustment Factor of \$.00118 per kWh as filed.

cc: service list