

## MEMORANDUM

**TO:** Rhode Island Public Utilities Commission

**FROM:** Bruce R. Oliver, Revilo Hill Associates, Inc.  
Tim Oliver, Revilo Hill Associates, Inc.  
On Behalf of the Division of Public Utilities and Carriers

**DATE:** October 13, 2017

**SUBJECT:** Review of National Grid's 2017 DAC Filing, Docket 4708.

This memorandum addresses the 2017 natural gas Distribution Adjustment Charge ("DAC") filings by National Grid (hereinafter "National Grid" or "the Company"). National Grid's proposed DAC changes in this proceeding are supported by the August 1, 2017 direct testimony of Ann E. Leary and William R Richer for National Grid and the September 1, 2017 supplemental testimonies of National Grid witnesses Leary and Richer. This review of the Company's 2017 DAC filing includes an examination of the Company's Environmental Report Filed on July 27, 2017.

Overall the Company's DAC filings reflect a reduction of the present DAC factor credit from the Company's currently effective DAC factors. The Company proposes DAC credits for the twelve-month period from November 1, 2017 through October 31, 2018 (i.e., the 2017-18 DAC year) that represent a net credit of \$994,962. That net result lowers the credits presently applied through the DAC by approximately \$1.9 million or 65% from overall level of the credits presently being provided through the DAC. This reduction in DAC credit (i.e., effective rate increase) is driven by an increase in the Company's System Pressure (SP) Factor, a larger credit assigned through the Pension Adjustment Factor (PAF), and the dramatic reduction in the Revenue Decoupling Adjustment Reconciliation. The major components of National Grid's proposed DAC adjustment in this proceeding are discussed further below.

Our review of the National Grid's DAC filing in this proceeding, generally finds the Company's development of its DAC Factors to be mathematically accurate and well-

documented. We also express appreciation for the detail and clarity of the support National Grid has provided for its Environmental Response costs. Our only concern with respect to the Company's DAC Factor calculations in this proceeding relates to a modification that National Grid has made to its methods for determining the System Pressure (SP) Factor. An alternative determination of System Pressure Factor costs is presented herein. Commission acceptance of this alternative will shift approximate \$764,000 of cost recovery requirements from the Company's GCR cost to the DAC. This lowers National Grid's projected 2017-2018 GCR costs while increasing DAC charges. However, the total costs recovered by National Grid through its combined GCR and DAC charges are unaffected.<sup>1</sup>

## **A. DISCUSSION OF DAC FACTOR COMPONENTS**

National Grid's DAC calculations comprise twelve (12) components. Of those twelve components five (5) will be discussed in greater detail below, while four (4) factors continue to reflect zero adjustments which required no substantive review. The three (3) remaining factors will be addressed separately by Division witness David Efron. The factors to be addressed by Witness Efron include the Company's Pension Adjustment Factor (PAF), Earnings Sharing Mechanism (ESM), and the 2017 ISR revenue requirement reconciliation. The five DAC Factors discussed below include:

- The System Pressure (SP) Factor
  
- The Advanced Gas Technology Program (AGT) Factor
  
- The Environment Response Cost (ERC) Factor

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<sup>1</sup> Nothing in the alternative method for determining the Company's System Pressure factor is intended to represent or suggest a deferral or disallowance of cost recovery.

- The Revenue Decoupling Adjustment (RDA) Factor
  
- The DAC Reconciliation (R) Factor

Finally, Order No. 22844 from Docket No. 4634 noted that National Grid and the Division would seek to resolve issues relating to the future of factors relating to the Company's AGT program, the LIAP, and On-System Margin Credits. This memorandum comments on the status of the efforts of National Grid and the Division to resolve those issues.

### **1. System Pressure (SP) Factor**

The role of the System Pressure (SP) Factor is to transfer costs related to the maintenance of system pressure from National Grid's GCR to the DAC to ensure that all customers, who utilize the gas delivery system and benefit from the Company's efforts to maintain system pressures, share the responsibility for costs that are incurred for that purpose. The October 31, 2012 Settlement Agreement accepted by the Commission in Docket No. 4339 set forth a methodology, agreed upon by the Company and the Division, which premised the assignment of costs to the DAC for system pressure purposes on an allocation of 75.77% of the annual lease payments for the Providence LNG tank. That agreed upon methodology has been utilized since November 2012.

However, in this proceeding the testimony of Ann Leary for National Grid indicates that the Company's reliance on LNG to maintain pressure in its distribution system has been eliminated by the completion and operation of the new Crary Street Gate Station which provides a high pressure feed into the Providence area on the Manchester Street lateral off of the Algonquin main line.<sup>2</sup> The Company suggests that the replacement of LNG use with high pressure gas delivered through the Crary Street Gate Station can be

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<sup>2</sup> See the and the September 1, 2017 Supplemental Direct Testimony of Witness Leary for National Grid at page 4, lines 13-14, and the September 1, 2017 testimony of Witness Culliford in Docket No. 4719 at page 11, lines 3-5, that indicates the Crary Street Gate Station was placed into service on July 17, 2017.

reflected in the methodology previously agreed upon by substituting pipeline demand charges for deliveries through the Crary Street Gate Station for the Lease Payments associated with the Company's Providence LNG Tank.

Based on discussions with the Company over the last of couple years, the Division understood that with the completion of the Crary Street Gate Station, the manner in which National Grid provided system pressure support in the Providence area would change and that might require modification of the methodology agreed upon in Docket No. 4339. However, the Division has two concerns regarding the modification National Grid proposes in this proceeding. First, where the Company had previously indicated that only a portion of the capacity of the Providence LNG tank was used for system pressure support, National Grid now indicates that "*100% of the contracted firm supply delivered at the Crary Street Gate Station is anticipated to be used for maintenance of system pressure.*"<sup>3</sup> Second, the methodology agreed upon in Docket No. 4339 represented a compromise arrangement. Although that compromise methodology was premised on an allocation of lease costs associated with the Providence LNG tank, it was understood that LNG was also being used in other parts of the Company's system for pressure support purposes.<sup>4</sup> In that context, the agreed upon percentage of the Providence LNG Tank lease payments allocated to the DAC was viewed by the Division as a proxy measure that included consideration of all LNG use for pressure support on the Company's Rhode Island system, not just pressure support derived from Providence Tank LNG sendout.

For the forgoing reasons, we question the appropriateness of the modified system pressure factor determination that National Grid has proposed in Docket No. 4708 and reflected in its GCR cost recovery determinations in this proceeding.<sup>5</sup> Based on the Company's data request responses, it appears that a more appropriate approach to the determination of National Grid's system pressure costs would assign **100%** of the demand

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<sup>3</sup> National Grid's response to Division Data Request 3-2, part A.

<sup>4</sup> National Grid's response to Division Data Request 3-3 states, "*The Company's distribution system will continue to utilize LNG to maintain system pressure in the Southern Rhode Island region (i.e., Washington County) from the Exeter LNG facility.*" The Division further understands that some use of either LNG or other sources of gas supply for pressure support may be required in the Cumberland area.

<sup>5</sup> See Attachment AEL-1S,

charges associated with deliveries to the Crary Street Gas Station to system pressure support, as the Company represents that all gas flowing through the Crary Street Gate Station would be used for maintenance of system pressure. In addition, we believe that costs for LNG or other sources of gas supply that are used to provide system pressure support should also be included in the development of the Company's System Pressure (SP) Factor.

To reflect the reconfiguration of National Grid's system pressure support activities and costs that result from the addition of the Crary Street Gate Station, the Company's System Pressure Factor determination should reflect: (1) 100% of the Demand Charges associated with firm deliveries of gas to the Crary Street Gate Station; and (2) costs associate with the Company's maintenance of system pressures in parts of its Rhode Island system that are not supported by deliveries to the Crary Street Gate Station. The demand costs associated with the Crary Street deliveries of gas are readily identifiable at this time, but the Company has provided no quantification of the costs it expects to incur for maintenance of system pressures in other parts of its system. The Division is confident, however, that the demand charges for gas delivered to the Crary Street Gate Station represent the majority of costs appropriately allocated to the DAC for recovery as system pressure costs. Thus, for the purposes of this proceeding, the Division believes that the Commission should require the System Pressure Factor in the DAC to reflect 100% of the demand costs associated with Crary Street deliveries. This adjustment transfers an additional \$764,118 from the GCR to the DAC. Prior to the Company's next DAC filing Division would like to investigate further the Company's system pressure costs for other parts of its Rhode Island system and whether those costs warrant incorporation in System Pressure Factor determinations for subsequent proceeding.

## **2. Advanced Gas Technology Program (AGT) Factor**

At the end of March 2017 National Grid had a balance of unexpended AGT program funding of \$1,381,233.<sup>6</sup> The Company continues to receive \$300,000 of AGT

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<sup>6</sup> Schedule AEL-3, page 2.

funding annually through base rates and seeks no additional AGT funding through the DAC in this proceeding. Interest earned on the accumulated balance of AGT funds was \$22,067,<sup>7</sup> and that interest has been properly credited to customers through the reconciliation factor.<sup>8</sup>

In the 2016-2017 DAC year, the Company expected to make a single payment under the AGT program of \$500,000 to Toray Plastics (America) Inc.<sup>9</sup> In the upcoming 2017-2018 DAC period, the Company anticipates making three incentive payments:

- The final \$300,000 incentive payment to Toray;
- Another \$300,000 payment to a second customer; and
- A \$50,000 rebate to a third customer.

After recognition of these payments and the additional \$300,000 of base rate contributions to the AGT that are expected over the next year, the Division expects that the AGT program will have an end-of-October 2018 AGT Fund balance of more than \$950,000 dollars, which, as of this time, appears to be at least adequate to support the programs' current activities.

### **3. Revenue Decoupling Adjustment (RDA)**

Our review of the Company's adjustment to the RDA adjustments included particular focus on the Company's efforts to finalize its transfers of customers from the Residential Non-Heating class to the Residential Heating class. We find that the referenced transfers as detail by Witness Leary in the Company's response to Division

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<sup>7</sup> The August 1, 2017 Direct Testimony of National Grid Witness Leary at page 22, line 6, and Schedule AEL-3, page 2 of 2, line 16.

<sup>8</sup> Schedule AEL-10, page 1 of 8, line 10.

<sup>9</sup> The Company expected to make its third of four scheduled incentive payments to Toray Plastics in August 2017. The fourth, and last, schedule payment to Toray is expected to be made during the 2017-2018 DAC year. That payment will be for \$300,000.

Data Request 3-1 have been well documented, clearly explained, and accurately and appropriately reflected.

#### **4. Environmental Response Cost (ERC) Factor**

The ERC Factor provides the Company a means of recovering “reasonable and prudently incurred” environmental response costs while limiting impacts on customers’ bills. The environment response expenditures recovered by National Grid through this mechanism are incremental to the \$1,310,000 of environment response costs the Commission has authorized the Company to recover annually through base rates. Any amount of required annual environment response cost recovery above or below \$1,310,000 per year recovered through base rates is reflected in the ERC factor. For the 2017-18 DAC year, National Grid computes that the Company requires \$2,277,642 of amortized environment expense cost recovery. After deducting the \$1,310,000 recovered through base rates, the Company seeks recovery of \$967,642 through the ERC Factor for the 2017-18 DAC year.

We have reviewed the calculations supporting National Grid’s computed ERC Factor in this proceeding. Our review has included examination of the full detail of the Company’s July 27, 2017 Annual Environmental Report, as well as additional materials (i.e., reports, contractor invoices, receipts, etc.) that National Grid has provided in response to Division data requests to support the Company’s claimed Fiscal Year 2017 (“FY 2017”)<sup>10</sup> environmental response expenditures. Witness Leary’s Direct Testimony, filed on August 1, 2017 proposes an ERC Factor of \$0.0024 per therm. The Company’s proposed ERC Factor represents an adjustment of \$0.0010 per therm to the currently effective ERC Factor of \$0.0014 per therm that was approved in the Company’s last DAC proceeding, Docket No. 4634. Although the Division’s review of this material does not constitute a full audit of those expenditures, the Division has examined Company’s expenditures in considerable detail. The costs examined appear to be well-documented and explained through the Company’s filed testimony and responses to Division data

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<sup>10</sup> National Grid’s 2017 fiscal year represents the twelve month period ended March 31, 2017.

requests. No costs were identified for which recovery through the ERC factor would be inappropriate. Moreover, no computational errors were found in the support for National Grid's calculated Environmental Response (ERC) Factor. We also reviewed the nature of the activities, services and materials for which cost claims were included in the Company's 2017 Annual Environmental Report, and we performed comparisons to the costs claimed for similar activities and services in the Company's 2016 Annual Environmental Report. Nothing observed was inconsistent with the Company's prior cost experience. In consideration of these observations, the Company's ERC Factor appears appropriate for acceptance by the Commission as proposed.

## **5. DAC Reconciliation (R) Factor**

The Company's DAC Reconciliation (R) Factor computations have been reviewed in detail. The data used appear to be appropriate, and the calculations presented appear to be mathematically accurate. Thus, the Division supports Commission approval National Grid's DAC Reconciliation Factor computations as filed.

## **6. Additional DAC Components**

The remaining DAC factors that have been reviewed either remained unchanged or contain no identified issues. The uncollectible percentage from Docket 4323 remains unchanged and is appropriately applied. The Service Quality Performance (SQP) Factor is \$0 and has remained at zero for seven years and we hope the Company will continue avoid penalties for performance. The proposed Company's proposed Reconciliation (R) Factor (applicable to Residential, Small C&I, and Medium C&I customers) is a \$0.0000 per therm.<sup>11</sup>

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<sup>11</sup> As noted in Schedule AEL-10, page 1 of 8, National Grid truncates its proposed Reconciliation (R) Factors at four decimal places.

## **B. STATUS OF ISSUES FROM ORDER NO. 22844 TO DOCKET NO. 4634**

### **1. AGT Program Expansion**

National Grid has suggested that expansion and/or modification of the AGT Program should be addressed in the Company's next base rate case. Given that the Company has announced plans to file a base rate case in November 2017, the Division does not object to addressing the AGT program in that context.

### **2. LIAP Elimination**

In Docket No. 4634 the Division observed that: "*National Grid has not requested any additional LIAP funding through the DAC in over seven years. This suggests that the LIAP factor may no longer be require as part of the DAC. Elimination of the LIAP factor from the Company's annual DAC filings would help to further streamline the DAC.*" The Division further agrees with the Company's statement that with the onset of the LIHEAP Enhancement Program there is not a need for additional LIAP funding through the DAC.<sup>12</sup> Thus, the Division supports the Company's proposed elimination of the LIAP component of the DAC.

### **3. On-System Margin Factor Elimination**

The Division and National Grid agree on the elimination of the On-System Margin Credit factor. The On-System Margin Credit Factor is a vestige of value of service pricing that was implemented in the 1980's when the costs of fuel oil alternatives dropped sharply relative to the costs of bundled natural gas service and gas distribution utilities were threatened with loss of significant recovery of fixed distribution service costs. With the opening of markets for competitive gas supply service in the 1990's, the need for variable pricing for distribution services was essentially eliminated. In the current market, competition between natural gas and fuel oil prices is addressed by competitive suppliers

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<sup>12</sup> The August 1, 2017 Direct Testimony of National Grid Witness Leary at page 10, lines 16-19.

of gas supply services, thereby allowing National Grid to price its distribution services at fixed rates without concerns regarding loss of service volumes. As a result, the uncertainties associated with the Company's ability to recover its fixed distribution costs from customers with competitive service options are now not substantially different than those for other gas service customers. Thus, the Division believes that the Company's elimination of the On-System Margin Credit factor in this and subsequent DAC filings is reasonable and appropriate.

## **C. CURRENT AND PROPOSED DAC FACTORS FOR NATIONAL GRID**

### **1. National Grid's Proposed DAC Factors by Rate Class**

The following tables present the Company's current and proposed charges for each DAC component, exclusive of the ISR and ISR reconciliation. Table 1 below shows the Company's proposed factors for the Residential, Small C&I, and Medium C&I classes. Table 2 shows National Grid's proposed DAC factors for the Company's Large and Extra Large C&I classes. Table 3 provides the November 1, 2017 DAC Rates, including ISR Charges that will be billed to customers.

**Table 1**  
**National Grid Proposed DAC Factors**  
**For Residential, Small and Medium C&I Customers**  
*(Dollars per Therm)*

<b>DAC Component</b>	<b>Symbol</b>	<b>Current Factor</b>	<b>National Grid's Proposed Factor</b>	<b>Difference</b>
System Pressure	SP	\$0.0037	\$0.0060	\$0.0023
Advanced Gas Technology	AGT	\$0.0000	\$0.0000	\$0.0000
Low Income Assistance Program	LIAP	\$0.0000	\$0.0000	\$0.0000
Environment Response Cost	ERC	\$0.0014	\$0.0024	\$0.0010
Pension Adjustment	PAF	(\$0.0054)	(\$0.0118)	(\$0.0064)
On-System Margin Credit	MC	(\$0.0001)	\$0.0000	\$0.0001
Reconciliation Factor	R	(\$0.0007)	\$0.0000	\$0.0007
Service Quality	SQP	\$0.0000	\$0.0000	\$0.0000
Earnings Sharing Mechanism	ESM	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Adjustment	RDA	(\$0.0010)	\$0.0006	\$0.0016
Revenue Decoupling Reconciliation	RD-R	(\$0.0072)	(\$0.0010)	\$0.0062
<b>Distribution Adjustment Charge</b>	<b>DAC</b>	<b>(\$0.0093)</b>	<b>(\$0.0019)</b>	<b>\$0.0074</b>

**Table 2**  
**Large and X-Large Customers**  
*(Dollars per Therm)*

<b>DAC Component</b>	<b>Symbol</b>	<b>Current Factor</b>	<b>National Grid's Proposed Factor</b>	<b>Difference</b>
System Pressure	SP	\$0.0037	\$0.0060	\$0.0023
Advanced Gas Technology	AGT	\$0.0000	\$0.0000	\$0.0000
Low Income Assistance Program	LIAP	\$0.0000	\$0.0000	\$0.0000
Environment Response Cost	ERC	\$0.0014	\$0.0024	\$0.0010
Pension Adjustment	PAF	(\$0.0054)	(\$0.0118)	(\$0.0064)
On-System Margin Credit	MC	(\$0.0001)	\$0.0000	\$0.0001
Reconciliation Factor	R	(\$0.0019)	(\$0.0011)	\$0.0008
Service Quality	SQP	\$0.0000	\$0.0000	\$0.0000
Earnings Sharing Mechanism	ESM	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Adjustment	RDA	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Reconciliation	RD-R	\$0.0000	\$0.0000	\$0.0000
<b>Distribution Adjustment Charge</b>	<b>DAC</b>	<b>(\$0.0023)</b>	<b>(\$0.0046)</b>	<b>(\$0.0023)</b>

**Table 3**  
**DAC Rates with ISR Included**  
*(Dollars per Therm)*

<b>Rate Schedule</b>	<b>Abbreviation</b>	<b>Proposed Charges</b>
Residential Non-Heating	Res-NH	\$0.2369
Residential Non-Heating Low Income	Res-NH-LI	\$0.2369
Residential Heating	Res-H	\$0.1410
Residential Heating Low Income	Res-H-LI	\$0.1410
Small Commercial	C&I Small	\$0.1617
Medium Commercial	C&I Medium	\$0.1072
Large Commercial Low Load Factor	C&I Large LL	\$0.0966
Large Commercial Low High Factor	C&I Large HL	\$0.0886
X-Large Commercial Low Load Factor	C&I XL-LL	\$0.0215
X-Large Commercial High Load Factor	C&I XL-HL	\$0.0177

**2. The Division's Recommended DAC Factors**

Tables 4 through 6 detail the Division's recommended DAC Factors for National Grid's 2017-2018 DAC year and the charges by rate class that result from those recommended factors. Tables 4 and 5 below show the Division's recommended factors by rate class. Table 6 provides proposed November 1, 2017 the DAC Rates, including ISR Charges, that will be billed to customers. The Division's re-computation of the System Pressure (SP) factor is shown in Attachment DAC-1 to this memo.

**Table 4**  
**Residential, Small and Medium C&I Customers**  
*(Dollars per Therm)*

<b>DAC Component</b>	<b>Symbol</b>	<b>Current Factor</b>	<b>Division's Proposed Factor</b>	<b>Difference</b>
System Pressure	SP	\$0.0037	<b>\$0.0080</b>	\$0.0043
Advanced Gas Technology	AGT	\$0.0000	\$0.0000	\$0.0000
Low Income Assistance Program	LIAP	\$0.0000	\$0.0000	\$0.0000
Environment Response Cost	ERC	\$0.0014	\$0.0024	\$0.0010
Pension Adjustment	PAF	(\$0.0054)	(\$0.0118)	(\$0.0064)
On-System Margin Credit	MC	(\$0.0001)	\$0.0000	\$0.0001
Reconciliation Factor	R	(\$0.0007)	\$0.0000	\$0.0007
Service Quality	SQP	\$0.0000	\$0.0000	\$0.0000
Earnings Sharing Mechanism	ESM	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Adjustment	RDA	(\$0.0010)	\$0.0006	\$0.0016
Revenue Decoupling Reconciliation	RD-R	(\$0.0072)	\$0.0010	\$0.0062
<b>Distribution Adjustment Charge</b>	<b>DAC</b>	<b>(\$0.0093)</b>	<b>\$0.0002</b>	<b>\$0.0095</b>

**Table 5**  
**Large and X-Large Customers**  
*(Dollars per Therm)*

<b>DAC Component</b>	<b>Symbol</b>	<b>Current Factor</b>	<b>Division's Proposed Factor</b>	<b>Difference</b>
System Pressure	SP	\$0.0037	<b>\$0.0080</b>	\$0.0043
Advanced Gas Technology	AGT	\$0.0000	\$0.0000	\$0.0000
Low Income Assistance Program	LIAP	\$0.0000	\$0.0000	\$0.0000
Environment Response Cost	ERC	\$0.0014	\$0.0024	\$0.0010
Pension Adjustment	PAF	(\$0.0054)	(\$0.0118)	(\$0.0064)
On-System Margin Credit	MC	(\$0.0001)	\$0.0000	\$0.0001
Reconciliation Factor	R	(\$0.0019)	(\$0.0011)	\$0.0008
Service Quality	SQP	\$0.0000	\$0.0000	\$0.0000
Earnings Sharing Mechanism	ESM	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Adjustment	RDA	\$0.0000	\$0.0000	\$0.0000
Revenue Decoupling Reconciliation	RD-R	\$0.0000	\$0.0000	\$0.0000
<b>Distribution Adjustment Charge</b>	<b>DAC</b>	<b>(\$0.0023)</b>	<b>(\$0.0025)</b>	<b>(\$0.0002)</b>

**Table 6**  
**DAC Rates with ISR Included**  
*(Dollars per Therm)*

<b>Rate Schedule</b>	<b>Abbreviation</b>	<b>Proposed Charges</b>
Residential Non-Heating	Res-NH	\$0.2389
Residential Non-Heating Low Income	Res-NH-LI	\$0.2389
Residential Heating	Res-H	\$0.1430
Residential Heating Low Income	Res-H-LI	\$0.1430
Small Commercial	C&I Small	\$0.1637
Medium Commercial	C&I Medium	\$0.1092
Large Commercial Low Load Factor	C&I Large LL	\$0.0986
Large Commercial Low High Factor	C&I Large HL	\$0.0906
X-Large Commercial Low Load Factor	C&I XL-LL	\$0.0235
X-Large Commercial High Load Factor	C&I XL-HL	\$0.0197

Given the dominance of the ISR charges, the Division's proposed change in National Grid's System Pressure Factor calculation has only a small impact on the overall DAC charges for most classes.

**National Grid - RI Gas***Docket No. 4708, 2017 Annual DAC Filing***Division Alternative for System Pressure (SP) Factor Determination**

<b>Ln No</b>	<b>Month</b>	<b>Crary Street Demand Costs</b>
1	17-Nov	\$ 262,800
2	17-Dec	\$ 262,800
3	18-Jan	\$ 262,800
4	18-Feb	\$ 262,800
5	18-Mar	\$ 262,800
6	18-Apr	\$ 262,800
7	18-May	\$ 262,800
8	18-Jun	\$ 262,800
9	18-Jul	\$ 262,800
10	18-Aug	\$ 262,800
11	18-Sep	\$ 262,800
12	18-Oct	\$ 262,800
13	Total	<u>\$ 3,153,600.00</u>
14	National Grid Allocation Factor	75.77%
15	National Grid Recommended SP Costs	\$ 2,389,483
16	System Pressure Factor Dth	39,483,630
17	National Grid Recommended System Pressure Factor (\$/Dth)	<b>\$ 0.0605</b>
18	Total Crary Street Demand Costs	\$ 3,153,600.00
19	Division Recommended Allocation Factor	100.00%
20	Division Recommended System Pressure Costs	\$ 3,153,600
21	Other National Grid System Pressure Costs	TBD
22	Total System Pressure Costs for this Proceeding	<u>\$ 3,153,600</u>
23	System Pressure Factor Dth	39,483,630
24	<b>Division Recommended System Pressure Factor (\$/Dth)</b>	<b>\$ 0.0799</b>
<b>Impacts of Change in Allocation Method</b>		
25	Increase in System Pressure Costs vs Co. Proposal	\$ 764,117
26	Increase in SP vs Co. Proposal Factor (\$/Dth)	\$ 0.0194