



**Department of  
Public Service**

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[www.dps.ny.gov](http://www.dps.ny.gov)

July 8, 2016

Dear Community Leader/Elected Official:

In January 2016, KeySpan Gas East Corporation (KEDLI), also known as National Grid, requested that the New York State Public Service Commission approve a proposed increase in its gas delivery rates. KEDLI serves approximately 567,000 customers in Nassau and Suffolk counties.

To ensure full public participation, the Commission will hold public statement hearings to solicit input and comments from your community regarding the proposed increases. These hearings are open to the public who wish to participate and comment on the rate case proceeding. Information received at the public statement hearings will be transcribed and will be included in the case record. The public comments will be considered by the Commission in deciding this case. There will be similar hearings in August regarding National Grid's gas service in Brooklyn, Queens and Staten Island (KEDNY Proposed Gas Rate Increase 16-G-0059).

The enclosed fact sheet provides detailed information on how to participate in the public statement hearings and available options to submit comments on the KEDLI proceeding. Information about the proceeding can be found at the Commission's [www.dps.ny.gov](http://www.dps.ny.gov) web site. From the homepage, click on "Search," and enter the case number (16-G-0058) in the "Search by Case Number" field.

I would appreciate your assistance with informing your constituents about the public statement hearings and encouraging them to provide comments. It is the Commission's intent to facilitate and encourage active and meaningful participation throughout all of its proceedings. We hope you will consider joining us at one of these hearings.

Sincerely,

Michael Corso  
Consumer Advocate and Director  
Office of Consumer Services

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# Public Service Commission

## Factsheet and Notice of Public Hearing

### KeySpan Gas East Corporation (d/b/a National Grid) Proposed Gas Rate Increase

Case 16-G-0058

In January 2016, KeySpan Gas East Corporation (KEDLI), also known as National Grid, requested that the New York State Public Service Commission (Commission) approve a proposed increase in its gas delivery rates. KEDLI serves approximately 567,000 customers in Nassau and Suffolk counties.

Upon receipt of the rate filing, Department of Public Service (DPS) Staff began an analysis of the Company's request to evaluate whether – or to what extent – a rate increase is justified. DPS represents the public interest in rate proceedings and evaluates such requests with the goal of ensuring safe and reliable service at just and reasonable rates. Review of the KEDLI filing is also underway by other parties to the proceeding.

### Public Statement Hearings

The Commission is seeking comment on the proposed increase to gas service rates. An Administrative Law Judge will preside over the gathering of public comments and all evidence relating to the rate request. The comments made at the hearings will become part of the formal record in these proceedings and will be presented to the Commission for consideration. Under New York State Law, the Commission must consider a utility's proposal and may adopt or reject it in whole or in part, or modify it by adopting changes proposed by participating parties, the general public or the Commission.

It is not necessary to make an appointment in advance or present written material in order to speak at the hearings\*. All comments given at the hearings will be transcribed and become part of the Commission's formal record. The hearings will remain open until everyone wishing to speak has been heard or other reasonable arrangements have been made.

Please join us at the following locations:

Date	Location	Time
Tuesday, July 26	Theodore Roosevelt Executive & Legislative Bldg. Legislative Chambers 1550 Franklin Ave Mineola, NY 11501	Evening Hearing: 6:30 PM
Wednesday, July 27	Riverhead Legislative Auditorium Evans K. Griffing Bldg. 300 Center Drive Riverhead, NY 11901	Afternoon Hearing: 1:00PM
Wednesday, July 27	Hauppauge Legislative Auditorium William J. Lindsay County Complex William H. Rogers Legislative Bldg. 725 Veterans Memorial Highway Hauppauge, NY 11787	Evening Hearing: 6:30 PM

\*Disabled persons requiring special accommodations should contact the DPS at (518) 474-2520 as soon as possible. Telecommunications Relay Service users may request a sign language interpreter by calling the New York Relay Service at 711. Individuals with difficulty understanding or reading English are encouraged to call DPS at 1-800-342-3377 for free language assistance.

## SUMMARY OF THE RATE CASE

On January 29, 2016, KEDLI filed for new gas delivery rates to be effective for the rate year ending December 31, 2017. This is the first rate increase sought by KEDLI since a rate increase went into effect on January 1, 2008. The Company filed a revised proposal on June 10, 2016.

According to the filing, the gas delivery rate increase will enable KEDLI to provide safe and reliable gas service through continued modernization of its pipeline infrastructure and customer information technology systems. KEDLI asserts that the rate request will also allow the Company to serve additional customers through their respective "Neighborhood Expansion Programs" and also by expanding their rebate programs to aid more low income customers.

### **Proposed Rates:**

A gas bill consists of two parts: a delivery charge and a supply charge. Through *delivery* charges, the utility recovers the cost to transport the gas to customers throughout the utility's gas delivery system. This delivery charge is regulated by the Commission. Through the *supply* charge, the utility recovers the cost of the gas commodity. The cost of the gas commodity is determined by the competitive market place and is not set by the Commission or the utility.

Under KEDLI's proposal, gas delivery rates would be modified to increase the Company's annual gas delivery revenues by approximately \$146 million (a 24% delivery revenue increase). If the proposed rate request were to be approved, the Company estimates that the annualized bill for gas service to a residential heating customer using 83 therms per month will increase by approximately \$198 (or 15.5% on the total bill). The projected residential heating customer's total bill impact is based on estimated supply costs.

### **Rate Case Components:**

- **System Modernizations:** Included in KEDLI's proposal is funding to modernize pipeline infrastructure, including implementing a cost recovery mechanism that will permit the Company to accelerate its replacement of aging pipes. The proposal is to establish new minimum mileage thresholds for the replacement of Leak Prone Pipe. KEDLI plans to replace 115 miles of its pipeline.
- **Low Income Programs:** KEDLI proposes to enhance its Low Income Assistance Programs by offering increased bill discounts and a new rebate program designed to assist its low-income customers for conversions from an alternative heating fuel to natural gas. Customers participating in the Reduced Residential Rate programs would receive a rebate of up to \$7,500 to convert their homes to natural gas.
- **Gas Expansion:** As part of the rate request, the Company will continue to seek opportunities to expand its service to new customers and new areas. KEDLI proposes, amongst other projects, the Glenwood Interconnect Project which involves the installation of approximately 4 miles of 24" steel transmission main from Glenwood Landing to the Long Island Expressway in East Hills.

The full text of the rate case may be viewed online at DPS's [www.dps.ny.gov](http://www.dps.ny.gov) website. From the homepage, click on "Search," and enter the case number (16-G-0058) in the "Search by Case Number" field.

There are also several other ways to participate in the rate case process, including:

➤ **Request Party Status:** Some individuals or groups participate in rate cases by becoming a party in the case. Generally, parties commit to contribute to the development of a complete record in a proceeding by conducting discovery, submitting testimony, briefs, or other formal written comments, and/or participating in evidentiary hearings, procedural conferences and other formal events conducted in the case. Interested groups or individuals can submit a request for party status online through the Commission's [www.dps.ny.gov](http://www.dps.ny.gov) website by searching for the case numbers and clicking the "Request for Party Status" link at the top of the Case page. Alternatively, a request form can be downloaded from the website, obtained by calling 518-474-4520 or by writing to the Administrative Law Judge, NYS Public Service Commission, Three Empire State Plaza, Albany, NY 12223. The requestor will be provisionally given party status, subject to the right of other parties to object and subject to the determination of the Administrative Law Judge.

➤ **Join the Service List:** Interested persons who wish to monitor the proceedings of a particular case can do so without the formal commitment to become a party to the proceeding. The persons who subscribe to the service list of a case will receive an e-mail with a direct link to the documents issued by the Commission, such as orders, notices, and rulings. Persons unable or unwilling to receive such electronic notification will receive hard copies of Commission-issued documents by regular mail.

To register online, click on the "Subscribe to Service List" link at the top of the dedicated page for Case 16-G-0058. A "Service List and Mail Service List Request Form" can be downloaded from the site and the completed form sent by e-mail to Hon. Kathleen H. Burgess, Secretary at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail to: Secretary, Public Service Commission, Three Empire State Plaza, Albany, NY 12223-1350.

➤ **Monitor the Case on the Commission Website:** Interested persons who choose not to sign up to receive e-mail notifications can view our website at their convenience to check on the status of a case. All documents filed by parties, correspondence, hearing transcripts, and Commission issued documents in a given case are posted on the website. All comments submitted by the public are posted under the 'public comments' tab for the case.

➤ **Provide Comments:** There are opportunities to attend public outreach events to learn about the proposals and provide comments. All comments can be submitted at the public statement hearings held on July 26 or 27, 2016 or through the methods below:

- **Via the Department's Website:** Comments may also be entered directly into the case by locating the case via the home page of the Commission's website, [www.dps.ny.gov](http://www.dps.ny.gov), by clicking on "Search," and entering the associated case number (noted above) in the "Search by Case Number" field. After clicking to open the case, enter comments in the "Post Comments" section located at the top of the page.
- **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail or delivery to Secretary Burgess at the

Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments delivered in these manners should reference "KEDLI Rate Case" (16-G-0058).

- **Via Toll-Free Opinion Line:** Individuals may choose to submit comments by calling the Commission's toll-free Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Callers should press "1" to leave comments about Case 16-G-0058 "KEDLI Rate Case." Comments received via the Opinion Line are not transcribed, but a summary is provided to the Commission for their consideration.

Comments submitted via these alternative means will be accepted at any point while this proceeding is pending, but are requested by August 25, 2016 to ensure full consideration. All comments will become part of the record considered by the Commission.