

Katherine E. Smith  
Senior Counsel I  
Legal Department  
P: 929-324-4502  
[Katherine.Smith@nationalgrid.com](mailto:Katherine.Smith@nationalgrid.com)



July 26, 2017

**VIA ELECTRONIC MAIL**

Kathleen H. Burgess  
Secretary  
New York State Public Service Commission  
Agency Building 3  
Albany, NY 12223-1350  
Phone: (518) 474-6530  
Fax: (518) 486-6081  
E-mail: [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov)

**Re: Niagara Mohawk Power Corporation d/b/a National Grid Negotiated Gas Transportation Agreement Filing Pursuant to Tariff Service Classification No. 14**

Dear Secretary Burgess:

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or “Company”) transmits for filing a new gas transportation agreement in accordance with the Company’s tariff, PSC No. 219 Schedule for Gas Service, Service Classification No. 14.

The enclosed agreement is redacted to remove information that identifies the customer’s name, location, and other identifying information. The pricing and general provisions of the agreement will be reflected in the publicly-posted addenda to the Company’s tariff, which will be updated today; however, the customer name and identifying information which could reveal which prices are paid by a specific customer, is sensitive and confidential to the customer and to National Grid. If made public, such information could compromise the customer’s competitive position and the Company’s ability to negotiate with existing or potential customers. National Grid has filed with the Commission’s Records Access Officer an un-redacted copy of the agreement and a request for trade secret protection.

Thank you for your attention to this matter. If you have any questions or require further information, please contact me at 929-324-4502.

Yours truly,

/s/ Katherine E. Smith  
Katherine E. Smith

**SERVICE AGREEMENT  
FOR NON-CORE TRANSPORTATION SERVICE  
FOR ELECTRIC GENERATION  
(Service Classification No. 14)**

THIS AGREEMENT ("Agreement") entered into as of the 21<sup>st</sup> day of July, 2017, by and between NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID, a New York corporation ("Company") and [redacted], limited partnership duly organized and validly existing under the laws of the State of Delaware, having offices at [redacted] ("Customer"). Company and Customer may each individually be referred to as a "Party" and collectively referred to as "Parties."

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service ("Tariff") contains Service Classification No. 14 ("SC-14") pursuant to which the Company offers a non-core transportation service for electric generation to qualifying customers ("NCT Service");

WHEREAS, the Company has provided 15-day interruptible transportation service to the electric generation facility ("Generator") on behalf of Customer pursuant to a transportation agreement dated April 25, 2012 ("Existing Gas Transportation Agreement");

WHEREAS, Customer and the Company desire to supersede and replace the Existing Gas Transportation Agreement and to enter into a new agreement to provide Customer with NCT Service to the Generator and to conform such NCT Service to the current terms and conditions of SC-14 and to clarify Customer's rights under SC-14, subject to the terms and conditions herein; and

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein, the parties agree as follows:

1. Transportation Service.

(a) Customer represents and warrants that the Generator qualifies for service under SC-14. Subject to the terms and conditions of this Agreement, the Tariff, and the terms and conditions of SC-14, Customer hereby agrees to communicate to Company, in accordance with Section V of the Company's then-effective Gas Transportation Operating Procedure Manual, the Daily Nomination Quantity. The Daily Nomination Quantity may not exceed the Maximum Daily Delivery Quantity set forth in Appendix A to this Agreement, exclusive of the factor of adjustment for system losses. Subject to the terms and conditions of this Agreement, the Tariff and the terms and conditions of SC-14, upon Customer's communication of the Daily Nomination Quantity for Generator, Customer will be required to deliver or cause to be delivered daily to such Generator for Customer's account gas in quantities equal to the Daily Nomination Quantity. The Daily Nomination Quantity shall include a quantity for system loss and unaccounted for gas. The Company shall not be required to accept deliveries of gas in excess of the Maximum Daily Delivery Quantity set forth in Appendix A to this Agreement, exclusive of the adjustment for system losses.

(b) The quality of service for Generator shall be specified in the Appendix A to this Agreement. The Company agrees to receive, transport, and redeliver, on a fully interruptible basis, gas in quantities equal to the Daily Nomination Quantity as adjusted for lost and unaccounted for gas; provided that the Company will not be required to redeliver quantities greater than the Generator's Maximum Daily Delivery Quantity.

(c) The Customer may elect to increase the level of service (*i.e.*, Fully Interruptible to 15 Day Interruptible) on not less than ninety (90) days' written notice to the Company. The Company will consider any request to increase the level of service on a case-by-case basis.

2. Seller of Gas. Customer designates the entity set forth in Appendix A to this Agreement to be its agent for purposes of scheduling gas deliveries ("Seller of Gas") hereunder. Customer shall inform the Company of any subsequent change of its scheduling agent and gas supplier.

3. Point(s) of Receipt. The Company will accept and confirm all gas delivered for the Customer's account to the Primary Point of Receipt as set forth in Appendix A to this Agreement. The Company will consider requests from Customer to utilize other point(s) of receipt using interconnections between the facilities of one or more interstate gas pipelines and the facilities of the Company, subject to any operational conditions on the Company's system. The Company shall act on any such request by Customer on a non-discriminatory basis relative to requests from other similarly situated customers.

4. Point of Delivery. The Point of Delivery for all gas transported by the Company to Generator for Customer's account hereunder shall be the outlet of Customer's meter at the Generator's location.

5. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Customer, or that Customer causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Company's system. The Company will make delivery of natural gas at approximately 340 psi consistent with good utility practice and the operational requirements of the system as long as the Seller of Gas or transporter of gas to the Point of Receipt on behalf of Customer maintains gas delivery pressure to Company at levels sufficient to allow the Company to deliver at approximately 340 psi.

6. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company, for all service provided hereunder with respect to each Generator, all applicable rates, charges, surcharges, fees, penalties and the like set forth in Appendix A to this Agreement, SC-14 and the general terms and conditions of the Tariff.

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth in this Agreement, SC-14 or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges. Customer may oppose any such changes in accordance with the rules and procedures of the Commission.

(c) Annual Minimum Bill Obligation. The Annual Minimum Bill Obligation specified in Appendix A to this Agreement shall take effect on the Commencement Date as defined in Art. 7 (a) of this Agreement and shall be calculated in accordance with SC-14. In determining whether the Customer has satisfied the Annual Minimum Bill Obligation, the Company shall give full credit for the payments of the On System Transportation Charge and Value Added Charge (if applicable) based on quantities of natural gas transported by the Company for the Customer each year on the anniversary of the commencement of service. Any deficiency shall be billed to the Customer in the following month.

(d) Rate for Gas In Excess of Maximum Annual Delivery Quantity. If during any contract year (12-month period beginning June 1 of each year) the Customer delivers or causes to be delivered gas in excess of the Maximum Annual Delivery Quantity, ("Excess Gas"), Customer will be billed for the Excess Gas at the On System Transportation Charge set forth in SC-14, Rate Schedule 1 for the remainder of the contract year.

7. Term of Agreement.

(a) This Agreement shall be in effect from June 1, 2017 to May 31, 2020. The "Commencement Date" shall be June 1, 2017. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in Paragraph 7 hereof shall commence as of the Commencement Date.

(b) Customer shall comply with this Agreement, the terms and conditions set forth in SC-14, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation service provided hereunder if Customer (i) violates any provision of this Agreement, the terms and conditions of SC-14, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

(c) Upon the Commencement Date, the Existing Gas Transportation Agreement shall be deemed terminated, and shall be of no further force and effect. Notwithstanding the foregoing, the settlement of any balance due under the Existing Gas Transportation Agreement shall survive such termination.

8. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or (c) on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier or sent electronically. All communications shall be addressed to the respective parties as follows:

If to the Company: NIAGARA MOHAWK CORPORATION d/b/a NATIONAL GRID  
300 Erie Boulevard West  
Syracuse, New York 13202  
Attention: Manager, Utility Services, Analysis and Support  
With a copy to General Counsel at the same address

If to Customer:

With copy to:

9. Security. In accordance with Special Provision 12 of SC-14 of the Company's Tariff, as a condition to Company's execution of this Agreement, Customer agrees that if any time during the Agreement, or at the time the Agreement is being executed, Customer's Credit rating falls below "BBB" by Standard & Poor's or Fitch rating groups and customer does not have or maintain a consecutive on-time payment record with the Company of at least 24 months, or in the event Customer does not have a credit rating from S&P and Fitch, customer shall guarantee payment (the "Credit Amount") by providing to Company either: (i) a "Letter of Credit" for the credit amount from a financial institution acceptable to Company or (ii) a prepayment of the credit amount ("Cash Deposit").

In the event Customer elects to post firm security in the form of a Letter of Credit, the Letter of Credit shall conform to the terms and conditions set forth in Special Provision 12 of SC-14.

Upon termination of this Agreement, any "Cash Deposit", "Letter of Credit" or financial guarantee shall be returned to the Customer, to the extent not required to offset or secure any amount owed by Customer to Company.

10. Incorporation by Reference. The terms and conditions of SC-14 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

11. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

(d) This Agreement, including Appendix A to this Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or duly authorized representatives as of the date first above written.

NIAGARA MOHAWK CORPORATION  
d/b/a NATIONAL GRID

By: 

Print Name: Melanie Littlejohn

Title: VP Customer & Community NY





**Appendix A**

<b>Electric Generation Facility:</b>	Generator –
<b>Existing Transportation Agreement:</b>	Gas Transportation Agreement dated April 25, 2012
<b>Location:</b>	
<b>Name Plate Rating (MW):</b>	Approximately
<b>Maximum Annual Delivery Quantity:</b>	2,833,140 dekatherms
<b>Maximum Daily Delivery Quantity:</b>	12,318 dekatherms
<b>Loss and Unaccounted for Percentage:</b>	1%
<b>Interruptibility:</b>	Fully interruptible.
<b>Heat Rate Tier Level:</b>	Tier 3
<b>Seller(s) of Gas:</b>	Inc. Should the Seller of Gas change, Customer or its agent will be required to designate the new Seller of Gas by the 25 <sup>th</sup> of the month prior to the month the change will take effect.
<b>Primary Point of Receipt:</b>	
<b><u>Rates and Charges:</u></b>	
<b>On System Transportation Charge:</b>	\$0.22/dth
<b>Value Added Charge (VAC)</b>	Applicable and calculated pursuant to SC-14.
<b>Annual Minimum Bill Obligation:</b>	50% of Maximum Annual Quantity
<b>Taxes and Surcharges</b>	Applicable pursuant to SC-14