

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 13-M-0026 - Proceeding on Motion of the Commission to Determine What Adjustments Should Be Made To Certain National Grid Affiliates' Rates or Earnings Based on Forensic Audit Results.

NOTICE OF PROCEDURAL CONFERENCE

(Issued January 25, 2013)

TAKE NOTICE that a procedural conference will be held before the presiding Administrative Law Judge beginning at 10:00 a.m. on Wednesday, February 13, 2013, at the Public Service Commission's Albany offices, Empire State Plaza, Agency Building Three, 3rd Floor Hearing Room. The purpose of the conference is to identify interested parties; to establish a schedule for the proceeding; and to address issues related to the service of documents, discovery, management of confidential information and any other procedural matters identified by conference participants. Parties are urged to confer in advance on possible schedules in an effort to achieve a consensus proposal.

Attendance in person at the conference is not required. Arrangements will be made for participation by telephone. Those interested in participating by telephone should contact Frank Mucilli by phone (518-474-4520) or e-mail (frank.mucilli@dps.ny.gov) for instructions.

In Case 10-M-0451, an independent third-party consultant was employed by the Commission to conduct a comprehensive audit of the affiliate cost allocations, policies and procedures of National Grid USA (National Grid) as applicable to its New York utilities (Niagara Mohawk Power Corporation, Brooklyn Union Gas Company, d/b/a KeySpan Energy Delivery New York and KeySpan Gas East Corporation, d/b/a

KeySpan Energy Delivery Long Island).¹ Following completion of the first phase of that audit, the consultant reported its conclusion that erroneous and unsupported cost allocations resulted in overcharges to National Grid's New York utilities. National Grid disputes both the consultant's methodology and its conclusion. The purpose of this proceeding is to develop a full record, with input from all interested parties, to assist the Commission in determining whether the audit results justify a finding that rate relief in some form is appropriate for customers of any of National Grid's New York utilities, and if so, how much.

Those interested in being a party to this proceeding must submit a request for party status to the Secretary.

Instructions for doing so can be found at this web page:

<http://documents.dps.ny.gov/public/MatterManagement/RequestAPStatus.aspx?MatterCaseNo=12-e-0201>.

If an evidentiary hearing is held, 16 NYCRR § 4.3 provides that only parties will be permitted to submit evidence or testimony and to cross-examine witnesses. In addition, only parties may participate in confidential settlement proceedings pursuant to 16 NYCRR § 3.9.

Those who wish to follow the proceeding but are not interested in party status may request that they be included on the service list for documents issued by the Commission.

Instructions for doing so can also be found on the web page listed above.

(SIGNED)

JEFFREY C. COHEN
Acting Secretary

¹ Case 10-M-0451 - Proceeding on Motion of the Commission to Investigate National Grid Affiliate Cost Allocations, Policies and Procedures.