



**Public Service  
Commission**

**Public Service Commission**  
**Audrey Zibelman**  
Chair

**Patricia L. Acampora**  
**Gregg C. Sayre**  
**Diane X. Burman**  
Commissioners

**Kimberly A. Harriman**  
General Counsel  
**Kathleen H. Burgess**  
Secretary

Three Empire State Plaza, Albany, NY 12223-1350  
www.dps.ny.gov

August 21, 2015

SENT VIA ELECTRONIC FILING  
Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 1-A209  
Washington, D.C. 20426

Re: Docket No. CP15-527-000 - Transcontinental Gas Pipe Line  
Company, LLC

Dear Secretary Bose:

For filing, please find the Motion for Late Intervention and  
Comments of the New York State Public Service Commission in the  
above-entitled proceeding. Should you have any questions,  
please feel free to contact me at (518) 474-1585.

Very truly yours,

Alan T. Michaels  
Assistant Counsel

Attachment



evidenced by the fact that the Company's reply to the issuance did not occur until August 7, 2015, the NYPSC's intervention prior to a final determination will not disrupt the proceeding or prejudice the interests of, or place burdens upon, any other parties.<sup>3</sup> Moreover, as this matter may affect natural gas service in New York, the NYSPSC, as the state's natural gas service regulator, has a unique interest in the outcome of this proceeding. Therefore, the NYPSC's intervention is in the public interest.

Copies of all correspondence and pleadings should be addressed to:

Theodore F. Kelly  
Assistant Counsel  
Office of General Counsel  
New York State Department  
of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350  
theodore.kelly@dps.ny.gov

Cynthia McCarran  
Deputy Director, Gas and  
Water  
Office of Utility Rates and  
Services  
New York State Department  
of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350  
cynthia.mccarran@dps.ny.gov

#### **BACKGROUND**

Transco seeks a certificate of public convenience and necessity for a gas pipeline expansion project entitled the New York Bay Expansion Project (the Project). According to the Company's application, if granted authorization to construct and operate the Project, the Project will provide an additional

---

<sup>3</sup> See 122 FERC 61,081 (issued January 31, 2008); see also 118 FERC 61,020 (issued January 18, 2007).

115,000 dekatherms per day (dt/day) of firm transportation service to National Grid NY's city gates in Staten Island and Queens, New York. Transco describes the Project as compressor station modifications and upgrades at three existing compressor stations, minor pipeline replacements, a pressure uprate, modifications at three meter and regulating stations, and construction or modification of related underground and aboveground facilities.

#### COMMENTS OF THE NYPSC

As proposed, the Project would benefit the New York City gas market. The Project is expected to benefit residential and commercial customers by providing increased capacity for growing markets, improving reliability, enhancing operating flexibility, and increasing competition among fuel sources.

However, before accepting the proposed Project, the NYPSC fully supports the Commission's process of review and public comment. The Commission must determine that the Company has eliminated or minimized any adverse economic impacts on existing customers, competing pipelines, and landowners and the surrounding community. The Commission will also conduct a thorough review of the impact on human health and the environment. As part of this process, the Company should acknowledge and carefully consider comments submitted and make amendments to the proposal as appropriate.

Based upon the information presented within the Company's application, NYPSC expects that the beneficial economic effects will outweigh any negative impact. Existing customers will not bear the burden of the Project's costs because costs will be recovered through incremental rates. Additionally, National Grid NY's binding agreement to purchase the capacity made available by the Project demonstrates that market demand exists for the Project.

The recourse rates for the Project are based on estimates including a pre-tax return of 15.34%. This return is based on a rate case filed fifteen years ago, and subsequent rate case settlements modified the rates paid without establishing a new rate of return. As more fully discussed in the protest and answer filed by NYPSC and the North Carolina Utilities Commission in Dockets CP15-117, CP15-118, and CP15-138, the use of this rate of return conflicts with the statutory requirement that a filing entity demonstrate that proposed rates are just and reasonable.<sup>4</sup> The Commission should take any determination made in those dockets into account in reviewing the recourse rates for the Project.

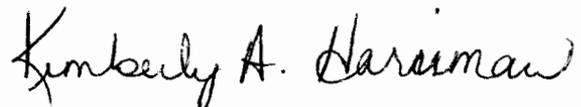
---

<sup>4</sup> Dockets CP15-117, CP15-118, and CP15-138, Transcontinental Gas Pipe Line Company, LLC, Notice of Intervention, Protest and Requests for Partial Consolidation and Evidentiary Hearing of the North Carolina Utilities Commission and the New York State Public Service Commission (filed April 22, 2015); Motion for Leave to Answer and Answer of the North Carolina Utilities Commission and the New York State Public Service Commission (filed May 27, 2015).

CONCLUSION

In accordance with the foregoing Comments, the NYPSC respectfully requests leave to intervene out of time in this proceeding and forward to participating in this matter. NYPSC anticipates a continued robust review of the filing and consideration of public comments and the environmental review. NYPSC expects that a thorough review by the Commission will ultimately find that the benefits outweigh any economic or environmental burdens created by this Project. NYPSC also requests that the Commission consider the appropriate recourse rates for the Project in a matter consistent with filings by NYPSC and the North Carolina Utilities Commission in Dockets CP15-117, CP15-118, and CP15-138.

Respectfully submitted,



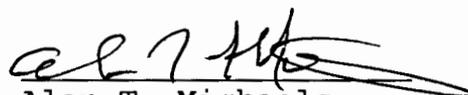
Kimberly A. Harriman  
General Counsel  
Public Service Commission  
of the State of New York  
By: Theodore F. Kelly  
Assistant Counsel  
3 Empire State Plaza  
Albany, NY 12223-1305  
(518) 473-4953

Dated: August 21, 2015  
Albany, New York

CERTIFICATE OF SERVICE

I, Alan T. Michaels, do hereby certify that I will serve on August 21, 2015, the foregoing Motion for Late Intervention and Comments of the New York State Public Service Commission upon each of the parties of record indicated on the official service list compiled by the Secretary in this proceeding.

Dated: August 21, 2015  
Albany, New York

  
Alan T. Michaels