

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 12-G-0297 - Proceeding on Motion of the Commission To
Examine Policies Regarding the Expansion of
Natural Gas Service.

NOTICE OF TECHNICAL CONFERENCE
AND NOTICE SOLICITING COMMENTS

(Issued November 30, 2012)

TAKE NOTICE that, as directed by the Commission in its order issued November 30, 2012, in the above captioned proceeding, the New York Department of Public Service Staff will convene a technical conference beginning at 10:00 a.m. on Wednesday, January 9, 2013 at the New York State Department of Public Service's Albany Offices, 19th floor, 3 Empire State Plaza. The aim of the conference will be to provide stakeholders with an overview of the existing natural gas system, the manner in which existing Commission and utility policies are implemented, the role Commission and utility policies play in maintaining, improving and expanding the system, and how Commission policies may be modified to enhance the potential benefits to New Yorkers from an expanded and/or more reliable natural gas system.

The natural gas utilities will make presentations at the technical conference including overviews of their existing systems and policies; current plans for improving or expanding their systems; and responses to the issues and questions listed in the attached Appendix. Other parties will have an

opportunity to seek clarification or further information from the presenters following the presentations.¹

Interested parties and stakeholders are also invited to submit comments in response to the 21 issues listed below. Comments should be submitted electronically by e-filing through the Department's Document Matter and Management System (DMM)² or to the Secretary at secretary@dps.ny.gov. Those unable to submit electronically may mail or deliver them to Hon. Jaclyn A. Billing, Secretary, New York State Public Service

¹ Other parties interested in making a presentation at the technical conference, should contact Cindy McCarran at cynthia.mccarran@dps.ny.gov, at least seven days prior to the date of the technical conference for consideration and planning purposes. Interested parties should be prepared to submit a written presentation proposal. Individuals or entities with questions concerning presentations or the technical conference in general should contact Ms. McCarran via email or by calling (518) 486-1645. Presentations should follow the guidelines set forth in the recommendations for using power point presentations at session:

- Font size should be 50 or greater so that the presentation is viewable throughout the Boardroom.
- Bulleted text should be kept to a minimum with no more than five lines on a slide.
- Presenters should not read from the slides but rather use them as talking points.
- Rather than extensive text, slides should be used mainly for graphs or spreadsheets.
- Since some people have problems distinguishing colors, we could recommend using colors with pronounced contrast, such as a dark red on a white or pale yellow background.

² Why Register with DMM,
http://www.dps.ny.gov/DMM_Registration.html

How to Register with DMM, <http://www.dps.ny.gov/e-file/registration.html>

CASE 12-G-0297

Commission, Three Empire State Plaza, Albany, New York
12223-1350. All comments shall be submitted to the Secretary by
January 24, 2013.

(SIGNED)

JACLYN A. BRILLING
Secretary

ISSUES TO BE CONSIDERED AT THE TECHNICAL CONFERENCE

Barriers to Extension and Expansion of Natural Gas Facilities

1. Please explain your understanding (and for utilities, your implementation) of Commission regulations and the Natural Gas Expansion Policy including your views on whether they encourage or deter expansion of the natural gas delivery system in New York State. Do you feel that the Commission regulations and Policy should be modified and if so, how?
2. Regarding the Commission's regulations of the natural gas delivery system and the system itself, do you believe that the interests of utility shareholders, ratepayers, and the State as a whole are aligned? Please explain.
3. Are there provisions of current policies or regulations that appropriately incentivize the expansion of the natural gas delivery system in New York State? Are these sufficient? If not, please suggest alternatives.
4. Identify current barriers inhibiting conversion to natural gas usage from other heating fuels - other than the cost of replacing heating equipment. Please explain how the barrier inhibits conversion and provide suggestions for reducing or eliminating the barrier - including the cost of replacing heating equipment.
5. Please identify the outreach and education efforts currently employed by the utility for the purposes of gauging interest in natural gas service and/or soliciting new customers in areas where interest in the possibility of obtaining service has been expressed. Are the efforts sufficient? How can they be improved? Would expanded or improved outreach and education programs increase conversion to natural gas by customers who reside within the 100 foot zone of existing utility infrastructure (and, accordingly would not pay for the

extension)? How can the utility identify, communicate and engage with such customers? When an individual customer requests service, please describe the utility's efforts to communicate with or solicit other customers in the neighborhood/area.

6. Please identify the typical flow of communication and information between the utility and a customer requesting service that would require extension of a gas main sufficient to require a surcharge. Please provide any examples of written communication.

7. What issues should be given consideration prior to expansion of the natural gas delivery system? Should such considerations include protections for a group or groups of customers? If so, what should be and what types of protections should be considered?

8. Are there existing utility specific pilot programs focused on new approaches to line extensions or new franchise expansions of the natural gas delivery system? If so, please describe the pilot program. If not, could such a pilot program be beneficial and, how would it be designed?

Rate and Ratepayer Considerations

9. The Commission's regulations (§230.2[f]) provide that "each corporation may, in its tariff schedules, extend such obligation [to provide certain main and service line extensions without cost to the customer], to the extent the provision of additional facilities without charge is cost-justified." Identify whether the utility ever provides residential customers with more than 100 feet of gas main or service line without surcharge. Please explain why and under what circumstances or, if never, why not. Is the utility aware of any geographic areas in its service territory where potential cost justified extensions of greater than 100 feet are currently un-served? If

not, has the utility ever attempted to ascertain or develop such information? What should be the appropriate length of main and/or service provided without surcharge? Please explain.

10. Does the utility provide programs that could assist low income customers or those on a fixed income to overcome the barriers to conversion to natural gas?

11. Are there potential funding mechanisms for expansion of the natural gas delivery system other than through utility rates or direct customer payments (surcharges, CIACs or other)?

12. Are existing natural gas efficiency programs adequate and optimal to serve the expansion of customers within 100 feet of existing utility infrastructure? If not, what changes, including possibly the level of funding, could be made to improve the existing efficiency programs? Would efficiency programs targeted to conversion customers result in increased energy savings, and if so, how?

13. Do Revenue Decoupling Mechanisms (RDMS) impact expansion of the natural gas delivery system?

Economic Development

14. Does the utility have any information or estimates concerning the existence of commercial or industrial customers who may add and/or retain jobs if they could switch their process or heating fuel to natural gas? If so, how many jobs might be added or retained?

15. Are there specific industries in the State that would benefit from an expanded natural gas delivery system? Please describe.

Public/Private Partnerships

16. Are there potential partnerships between various entities involved in the energy and heating markets in New York State that could facilitate expansion of the natural gas delivery system? If so, please provide examples and whether

your organization would be willing to take part in such a partnership. Who would be best suited for encouraging and developing such partnerships? What role should the public sector play?

17. Are there programs currently administered by utilities or federal, state or local agencies that assist customers with heating fuel conversions? Are there roles that other agencies, such as the New York State Energy Research and Development Authority (NYSERDA), should play in expansion of the natural gas delivery system? Should the Energy Efficiency Portfolio Standard (EEPS) programs be expanded or modified to encourage conversions to natural gas before end-of-life replacements?

18. Are there opportunities to coordinate natural gas delivery system expansion projects with other available resources, such as economic development, energy efficiency, or environmental protection? Please provide specific examples, if possible.

Environmental Impact

19. Are there changes that could be made to the environmental impact review process involved in granting or expanding gas franchise areas that could improve or streamline the process?

20. Please identify, if any, areas of the State where provision of natural gas delivery service is unrealistic because of environmental constraints, construction permitting requirements or other factors and explain why service to such areas is believed to be unrealistic. Are there any areas of the State that require special consideration regarding expansion of the natural gas system?

Planning

21. Please explain your utility's natural gas delivery system expansion planning process including any large-scale and or long-term plans that are in place or are being considered.