

July 21, 2016

Hon. Kathleen H. Burgess, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary, 19<sup>th</sup> Floor  
Three Empire State Plaza  
Albany, New York 12223-1350

**Re: Case 16-G-0058 – Proceeding on Motion of the Commission as the Rates, Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a National Grid for Gas Service**

**Case 16-G-0059 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a National Grid NY for Gas Service**

Dear Secretary Burgess:

On June 17, 2016, KeySpan Gas East Corporation d/b/a National Grid (“KEDLI”) and The Brooklyn Union Gas Company d/b/a National Grid NY (“KEDNY”) (collectively, the “Companies”) filed a request for a one-month extension in the suspension period in these proceedings, such that new rates would become effective February 1, 2017. To allow additional time for the parties to conduct settlement discussions and finalize a joint proposal, KEDLI and KEDNY hereby request an additional one-month extension in the suspension period, such that new rates would now become effective March 1, 2017. The Companies hope and expect that this further extension will not be necessary, but request it nevertheless to promote the orderly conduct of these proceedings in the event a joint proposal is not filed in a timely manner.

The Companies are agreeable to the additional one-month extension with the understanding that Staff continues to support a make whole provision that would assure the Companies are restored to the same financial position they would have been in had there been no extension and new rates went into effect on January 1, 2017.

The Companies would calculate any revenue adjustments as the difference between (i) sales revenues the Companies would have billed at new rates during the extension of the suspension period and (ii) the same level of sales revenues at current rates. The revenue adjustments would include all applicable surcharges and carrying charges and be subject to reconciliation in accordance with all applicable adjustment mechanisms (including revenue decoupling mechanisms, where applicable). Financial true-up targets established in the Commission’s order in these proceedings, as well as depreciation and amortization expense, would be applied to the extension of the suspension period. All accounting/ratemaking would be pursuant to the new rate plan and be retroactive to January 1, 2017.

The Companies respectfully request that the Commission issue an order at the appropriate time: (i) extending the suspension period for one additional month, if it is necessary, to the effect that new rates will become effective March 1, 2017 and (ii) approving the make whole provision.

Thank you for your time and attention.

Respectfully submitted,

*Catherine L. Nesser*

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Catherine L. Nesser  
VP and Deputy General Counsel  
New York Regulatory

Attachments

cc: Active Parties (via DMM)  
Hon. David R. Van Ort