



SPRING CREEK
Towers

OFFICE OF PROPERTY MANAGEMENT

Electronic filing only

September 16, 2016

Honorable Kathleen Burgess
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case 16-G-0058- KEDLI Gas Rates
Case 16-G-0059- KEDNY Gas Rates

Dear Secretary Burgess,

Spring Creek Towers a/k/a Starrett City (SCT) is a major apartment complex in Brooklyn, NY, and the largest federally assisted housing development in the country. It purchases large volumes of natural gas delivery services from National Grid (KEDNY) to provide essential services to over 15,000 residents, many of whom are eligible for low-income utility programs. SCT believes itself to be the largest single retail customer of KEDNY, and is an active participant in the above-captioned cases. Please accept this letter as our Statement in Support of the Joint Proposal filed on September 9, 2016, in these cases.

The Joint Proposal proposes a three year rate plan for 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) for the three years ending December 31, 2019. The overall revenue requirement increases proposed are as follows:

KEDLI: RY1: \$112 million (m); RY2: \$19.6 m; and RY3: \$27 m.
KEDNY: RY1: \$272 m; RY2: \$41 m; and RY3: \$48.9 m.

The setting of rates and funding programs for an extended period is one of the most important reasons that SCT supports the JP. This allows the large first year increase to be levelized over three years to mitigate bill impacts, and provides rate certainty to customers, an important consideration for SCT. The three-year term also assures continued funding of all the important initiatives recommended in the JP.

Environmental improvements and safety are issues of great importance to SCT. The JP continues or expands current gas safety programs and provides for a number of new initiatives, including improved public outreach and education on gas safety, enhanced first responder training, a residential methane detection pilot, a gas meter relocation pilot program, and a new damage prevention advisor program. The JP provides additional funding and commits the Companies to increased replacement of leak prone pipe (LPP) based on an improved method of prioritizing removals, and allows for recovery of costs of incremental LPP removal beyond the mileage reflected in rates, and provides for incentives for improved leak management; damage prevention; emergency response; and gas safety regulations performance. The JP further provides necessary funding for Site Investigation and Remediation (SIR) costs. SCT supports these provisions to further ensure public safety and environmental improvement.

The JP commits the Companies to implement three Reforming the Energy Vision (REV) demonstration projects during the term of the Rate Plans. The three projects involve: (i) flood zone protection packages; (ii) micro combined heat and power – home energy management solutions; and (iii) commercial demand response.

Revenue allocation is of greatest importance to SCT. The JP recommends a rational cost-based revenue allocation and rate design, with continued support for low income customers. Moreover, it provides for relative rate relief for distributed generation (DG) customers, which SCT believes will support the REV goal of building a resilient microgrid based electric system.

Finally, the extended term of the JP provides certainty and stability to all the benefits noted above.

For all these reasons, Spring Creek Towers urges the Commission to accept the Joint Proposal without modification or delay.

Respectfully Submitted,

Barbara Tillman

Spring Creek Towers