

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Proceeding on Motion of the Commission :
As to the Rates, Charges, Rules and :
Regulations of Keyspan Gas East Corp. : **Case No. 16-G-0058**
dba Brooklyn Union of L.I. :
for Gas Service :

Proceeding on Motion of the Commission :
As to the Rates, Charges, Rules and :
Regulations of the Brooklyn Union Gas : **Case No. 16-G-0059**
Company for Gas Service :

EXHIBIT
OF
RICHARD A. BAUDINO

ON BEHALF OF

THE CITY OF NEW YORK

J. KENNEDY AND ASSOCIATES, INC.

JUNE 10, 2016

EXHIBIT __ (RAB-7)

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE
INTERROGATORY RESPONSE**

**The Brooklyn Union Gas Company d/b/a National Grid NY
KeySpan Gas East Corporation d/b/a National Grid
Cases 16-G-0058 & 16-G-0059
Gas Rates**

Request No.: City of New York-1
Requested By: City of New York
Name of Respondent: Staff Gas Rates Panel
Date of Request: May 27, 2016
Date of Response: June 6, 2016
Subject: TC/IT rates

Question:

1. Please refer to page 35, line 13 through page 36, line 7 of the Direct Testimony of the Staff Gas Rates Panel.

- a. Please explain and define what is meant by “the applicable firm rate” on line 21.
- b. Under Staff’s proposal, would KEDNY apply the SC 2-2 rates to TC-6G and TC-6C for purposes of the proposed cap? If not, please explain how the applicable firm rates would be applied to KEDNY’s TC-6G and TC-6C customers under Staff’s proposal.
- c. Please provide a numerical example of how Staff’s rate design proposal would be applied to a KEDNY TC-6G customer including Staff’s proposed 20% discount off the applicable firm rate. For purposes of this example, assume the customer has a monthly usage of 400,000 therms. Please show how all charges, including the cost of gas, would be applied.
- d. Under the Staff’s proposal, would TC customers pay a cost of gas demand charge and/or a supply reservation charge? If so, please provide the gas demand charge and/or supply reservation charge that TC customers would pay.
- e. Under the Staff’s proposal, what would the minimum/customer charge be for TC and IT customers? Please explain how Staff derived the minimum/customer charges for TC and IT customers.
- f. Under the Staff’s proposal, would TC sales customers be charged the average or incremental cost of gas? If TC customers would be charged for the incremental cost of gas, please provide a comparison of the average and incremental cost of gas for the test year under Staff’s proposal.
- g. Does the Staff’s proposal include a floor price for TC and IT customers? If so, please describe the floor price.
- h. Would the Staff’s TC pricing proposal operate in a similar fashion to the current TC pricing, whereby the total price per therm is based on the cost of alternative fuel, with the addition of the price cap proposed by Staff? If not, then please explain how the total per therm pricing would work under Staff’s proposal.

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Gas Rates**

Response to City of New York-1 continued.

Response:

- a. The applicable firm rate means the rate a customer would be charged if it took firm service as explained in the tariff under each IT and TC SC's description of the annual price cap calculation.
- b. Yes.
- c. Staff's proposal impacts the current price cap contained in the tariff under each TC SC. Staff's proposal is to limit KEDNY's actual cumulative revenues to what would have been paid under SC 2-2, including a 20% discount, plus the Incremental State Assessment Surcharge/Credit.
- d. Yes. See the Companies' Exhibit__(RDP-9).
- e. Staff agreed with the Companies' proposed minimum charge rates.
- f. The incremental cost of gas. Staff has not developed a cost of gas comparison, but the information to conduct such analysis is publically available.
- g. Yes. The floor price is described in the Companies' tariffs.
- h. Staff proposes to modify the annul price cap. While Staff does not propose to modify the current monthly TC pricing methodology, the Companies will have to factor in the proposed discount so that the annual price cap is not exceeded.