

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

- CASE 16-G-0058 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of KeySpan Gas East Corp. dba Brooklyn Union of L.I. 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 dba National Grid NY for Gas Service.
- CASE 14-G-0091 - In the Matter of the Acts and Practices of The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid Regarding Billing of Each Company's SC No. 2 Customers from March 2008 to March 2014.
- CASE 14-G-0503 - Petition for Approval, Pursuant to Public Service Law, Section 113(2), of a Proposed Allocation of Certain Tax Refunds between KeySpan Gas East Corp. d/b/a National Grid and Ratepayers.
- CASE 13-G-0498 - Petition for Approval, Pursuant to Public Service Law, Section 113(2), of a Proposed Allocation of Certain Tax Refunds between KeySpan Gas East Corp. d/b/a National Grid and Ratepayers.
- CASE 12-G-0544 - In the Matter of the Commission's Examination of The Brooklyn Union Gas Company d/b/a National Grid NY's Earnings Computation Provisions and Other Continuing Elements of the Applicable Rate Plan.
- CASE 11-G-0601 - Petition for Approval, Pursuant to Public Service Law Section 113(2) of a Proposed Allocation of Certain Tax Refunds between KeySpan Gas East Corp. d/b/a National Grid and Ratepayers.

NOTICE SEEKING COMMENTS ON JOINT PROPOSAL

(Issued September 20, 2016)

TAKE NOTICE that the New York State Public Service Commission (Commission) is seeking comments from the general public concerning proposed changes in the gas delivery rates and services of KeySpan Gas East Corporation (KEDLI) and KeySpan Gas East Corporation (KEDNY) (collectively, "Companies"). Comments should be submitted to the Commission by November 4, 2016.

On January 29, 2016, the Companies filed tariffs to increase gas rates for KEDLI and KEDNY beginning January 1, 2017. KEDLI's tariff filing was designed to increase gas delivery revenues by approximately \$142 million or 22% (about 16% increase in total revenues). KEDNY's tariff filing was designed to increase gas delivery revenues by approximately \$245 million or 27% (18% increase in total revenues).

The Department of Public Service Staff (DPS Staff) and other parties were afforded the opportunity to investigate the Companies' filings in these cases. DPS Staff and several other parties filed responsive testimony and exhibits. The parties thereafter commenced settlement negotiations to resolve the other above-entitled cases in addition to the pending KEDLI and KEDNY rate filings. The parties' negotiations ultimately resulted in an agreement on the outstanding issues, which was incorporated into a Joint Proposal and executed by the Companies; DPS Staff; City of New York; Environmental Defense Fund; Consumer Power Advocates; Direct Energy Services, LLC; Great Eastern Energy; Estates NY Real Estate Services, LLC; and Spring Creek Towers. The Joint Proposal was filed with the Commission on September 7, 2016.

The Joint Proposal incorporates three-year rate plans for KEDLI and KEDNY covering the period January 1, 2017 through December 31, 2019, with the three rate years (RY 1, RY 2 and RY 3) for each company running from January 1st through December 31st of each calendar year. Revenue increases for KEDLI over the

three rate years are as follows: \$112 million (RY 1); \$19.6 million (RY 2); and \$27 million (RY 3). The revenue increases for KEDNY over the three rate years are: \$272 million (RY 1); \$41 million (RY 2); and \$48.9 million (RY3). To mitigate customer bill impacts, the Joint Proposal recommends levelization of the KEDLI and KEDNY annual revenue increases, with each company receiving equal annual percentage increases in its respective revenue requirements (approximately 5.26% annually for KEDLI and 5.12% annually for KEDNY). The actual bill impacts of the proposed changes on the particular customer will vary, based upon revenue allocation and rate design.

The full text of the Joint Proposal, as well as a summary of its key provisions, may be reviewed online at the Department of Public Service web page (www.dps.ny.gov) by searching under any of the case numbers referenced in this Notice.

Ways to Comment

There are several ways to provide your comments to the Commission. Comments should refer to one or both of the following cases: "Case 16-G-0058" "Case 16-G-0059."

Via the Internet or Mail: The public may submit comments directly into the case file by locating the case via the home page of the Commission's website, www.dps.ny.gov, by clicking on "Search," and entering either "16-G-0058" or "16-G-0059" in the "Search by Case Number" field. In the open case, access the screen to enter comments by clicking on the "Post Comments" box located at the top of the page. Many libraries offer free internet service. Comments may also be submitted electronically to the Hon. Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov or by mail or delivery to Secretary Burgess at the New York State Public Service

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Commission, Three Empire State Plaza, Albany, New York 12223-1350.

Toll-Free Opinion Line: Individuals may choose to submit comments by calling the Commission's Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. These calls are not transcribed but a summary is provided to the Commission.

Written comments will become part of the record considered by the Commission. Written comments are posted and may be read on the Web site by searching by the case number (16-G-0058 or 16-G-0059) and clicking on the "Public Comments" tab.

(SIGNED)

KATHLEEN H. BURGESS
Secretary