

STATE OF NEW YORK  
DEPARTMENT OF PUBLIC SERVICE

CASE 20-G-0131 - Proceeding on Motion of the Commission in Regard to Gas Planning Procedures.

DRAFT REVISIONS TO PART 230 (100-FOOT RULE)

(Filed May 19, 2026)

**Introduction**

Title 16 of the New York Code of Rules and Regulations Part 230 (Part 230) sets forth the rights, requirements, and responsibilities of utilities and applicants for gas service. This includes applicants' "entitlement" to certain amounts of gas main and/or service line extension and the installation of appurtenant facilities at no direct cost to the applicant. The costs incurred by a utility to extend facilities to an applicant are generally included in the utility's rate base and recovered in the rates the utility charges to all customers. In its Order Adopting Gas System Planning Process in this proceeding, the Commission recognized that issues raised regarding extension of gas service to new natural gas applicants may require the Commission to modify Part 230 and related utility tariffs. On July 16, 2024, Department of Public Service staff (Staff) filed the "Staff Straw Proposal Regarding Development Modification of 16 NYCRR Part 230" (Straw Proposal) in this proceeding.<sup>1</sup> Stakeholders filed initial comments through September 20,

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<sup>1</sup> The Straw Proposal identified modifications to Title 16 of the New York Code of Rules and Regulations (NYCRR) Part 230 that conform with the currently effective PSL §31(4) and Transportation Corporations Law §12, while better aligning applicants' access to gas service extensions with efforts to achieve the greenhouse gas emission reduction targets set by the Climate Leadership and Community Protection Act.

2024, and reply comments through October 10, 2024.<sup>2</sup> Additionally, effective December 19, 2026, the Public Service Law will require that applicants for residential gas service pay the material and installation costs relating to the facilities to be installed to enable service to the applicant.<sup>3</sup>

Below is a summary of Staff’s draft proposed revisions to Part 230 (Draft Revisions), categorized by section, followed by the full text of the Draft Revisions. Stakeholders can provide comments regarding the Draft Revisions, which should propose specific alternative revisions to the Draft Regulations and explain why such alternative language is preferable. Following the receipt of input on the Draft Revisions from stakeholders, Staff will incorporate any additional modifications and publish a notice of proposed rulemaking as required by the State Administrative Procedures Act. Stakeholders will have an additional opportunity to provide comments following publication of the notice of proposed rulemaking.

### **Summary of Proposed Revisions to Part 230**

#### **§230.1:**

- Deleted definition of “adjusted gas revenue” because this definition was used solely in provisions that used revenues to limit the costs to be borne by individual applicants/customers. The proposed revisions eliminate this concept and so the definition is no longer necessary.
- Added definition of “appurtenant facilities” because there had been no existing definition and applicants will now have to pay for them, whereas before, appurtenant facilities were

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<sup>2</sup> Initial comments were received from New York Energy Consumers Council, Inc.; New York Geothermal Energy Organization; Corning Natural Gas Corporation (Corning); Liberty Utilities (St. Lawrence Gas) Corp. (SLG); National Fuel Gas Distribution Corporation (NFG); the City of New York (NYC); New York State Electric & Gas Corporation; Rochester Gas and Electric Corporation; KeySpan Gas East Corporation d/b/a National Grid, Niagara Mohawk Power Corporation d/b/a National Grid, and The Brooklyn Union Gas Company d/b/a National Grid NY (collectively, National Grid); Advanced Energy United, Multiple Intervenors, Building Decarbonization Coalition, Earthjustice, Sierra Club, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Environmental Defense Fund, Central Hudson Gas & Electric Corporation, New Yorkers for Clean Power, Institute for Policy Integrity at NYU School of Law, Natural Resources Defense Council. Reply comments were received from National Grid, Building Decarbonization Coalition, Earthjustice, Sierra Club, Corning, SLG, NFG, and NYC.

<sup>3</sup> PSL §31(4-a), as adopted by 2025 Laws of N.Y. Ch. 709 and 2026 Laws of N.Y. Ch. 101.

included in the entitlement. Applicants should have clearer criteria for the items they will pay for in addition to service and main piping.

- Added definition of “utility” to make clear that the provisions of Part 230 apply to gas corporations and municipalities that provide gas service. This aligns with Part 98, which provides the Commission’s regulations governing the extension of electric facilities. Also, changed “corporation” to “utility” throughout Part 230.

**§230.2:**

- Deleted language that allowed a gas utility to “apply to the Commission” for relief from the entitlement requirements since residential customers must now pay for all costs of new infrastructure and non-residential customers would have entitlements limited to those required by statute.
- Updated “he/she” to “they” to reflect gender neutrality.
- Modified language to remove the concept that, as a matter of course, there are facilities the utility must install without charge. With the revisions, it focuses on the applicant’s agreement to pay any costs “that are the responsibility of the applicant.”
- Deleted reference to the applicant’s agreement to pay a surcharge for the applicant’s portion of the costs of facilities. This provision is not necessary in this section as the remaining portion of the provision requires the customer to agree to pay costs for installing facilities, it is irrelevant in this provision whether the payment is up front or through a surcharge.
- Collapsed separate subdivisions regarding residential non-heating and residential heating applicants into one subdivision for residential applicants.
- Revised to state that residential applicants must pay all costs for main, service line, service connections, and appurtenant facilities. In comparison, the language in the currently effective provision lists the costs and expenses the corporation must bear. This change reflects the recent modification to PSL §31.
- Revised so that subdivision (d) describes the requirements for non-residential applicants and clarify that non-residential customers are entitled to up to 100 feet of any combination of main and service, reflective of the requirements of Transportation Corporation Law §12.
- Added language stating that the utility cannot provide any additional facilities to non-residential applicants at no cost – applicants must pay for any additional facilities. The previous language had allowed the utility to offer more infrastructure at no cost to the applicant if the utility justified the cost.
- Added language requiring each gas utility to provide a list of all appurtenant facilities as a statement to their tariffs to provide clarity to customers and allow the utilities to continually update the list.
- Added the requirement that applicants for gas service be provided information on non-fossil fuel alternatives.

**§230.3:**

- Added language specifying that the applicant must pay a deposit before installation of a service extension and pay all costs for the extension before they begin taking gas service.
- Added language modifying the provision that allowed a utility to offer an applicant the ability to pay the costs of the facilities through a surcharge. The proposed modification would now require the utility to petition the Commission for permission to do so and limit the application of a surcharge for purposes of economic development or affordable housing development. This change is not required by the amendment to PSL §31 but would be consistent with removing any discretionary provisions that incentivize gas service compared to other options through reducing/delaying upfront costs.
- Modified the surcharge language to state it should be designed to recover the costs within five years, instead of within ten years as in the currently effective provision.
- Added language specifying that all cost elements included in the calculation of the surcharge must be included in the petition to the Commission.
- Added language specifying that applicants may perform any necessary trenching on their private property and not be charged for that part of the general costs of extending facilities to a new building. This was not anywhere in the currently effective Part 230, but is current practice.
- Clarified the currently effective language to ensure equity among applicants by specifying that, when more than one customer connects to a main extension within the first five years of its operation, the customer connecting later has to pay an appropriate share of the cost of the main extension, and the utility would provide a refund reflecting that new customer's payment to any customers who had previously paid the costs of the main extension. This reflects that, if all customers attached at the same time, the costs of any extension would have been apportioned among them, and so it should be if they attach over a reasonable amount of time rather than all at once.
- Deleted language that limited surcharges based on estimates of the adjusted gas revenue from the applicant/new customer (or multiple new customers using the same new main) and required a refund of surcharges paid if actual adjusted gas revenue exceeds the carrying cost of the extended facilities.

**§230.4:**

- No modifications and not included in the revisions as a result. For reference, §230.4 generally requires the applicant to provide any required rights-of-way or pay the utility the costs of acquiring any required rights-of-way.

**§230.5:**

- This section has required, and will still require, applicants that seek installation of infrastructure before they require service “to pay the entire reasonable expense of providing, placing, and constructing” facilities to serve them.
- Modified to clarify that only applicants for non-residential service would be entitled to a refund of the portion of the cost the utility is required to assume less depreciation at the

applicable Commission approved rate. The previous language specified a depreciation rate of three percent per year, which is not representative of the rates actually applied to services and mains.

- Note: this section commonly applies to developers of residential subdivisions and would also apply to new non-residential and mixed-use developments where the applicant wants facilities installed prior to expected occupancy.

**§230.6:**

- Modified the language to clarify that the utility is responsible for the cost of maintaining, replacing, or reconstructing all facilities including service lines and service connections. The existing provision had limited the utility's responsibility to the "cost of maintaining, replacing, or reconstructing the service line and appurtenant facilities necessary to serve each [customer] as if such customer were an applicant for service ... ." Maintenance and replacement of existing service lines is a safety issue and should not be dependent on a customer's willingness to pay the costs of said maintenance or replacement. Current pipeline safety regulations place inspection and safety requirements on utilities for all gas piping up to the outlet of the utility's meter, no matter where the meter is in a building.

The title of Part 230 is amended to read as follows:

CHAPTER III GAS UTILITIES  
SUBCHAPTER A SERVICE  
PART 230  
EXTENSION OF GAS MAINS AND SERVICE LINES[ – GAS CORPORATIONS]

Subdivision (d) of section 230.1 is amended and a new subdivision (e) is added to read as follows:

(d) The term [adjusted gas revenue means the revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.] appurtenant facilities means any objects, devices, or other accessories necessary for the adequate provision of gas service to a customer, specifically related to the portion of mains and/or service line to be installed to provide service to an applicant for new gas service.

(e) The term utility means a gas corporation, combination gas and electric corporation, or a municipality that provides gas service subject to the jurisdiction of the commission.

Section 230.2 is amended to read as follows:

(a) *Utility obligation to provide gas service.* When an application for gas service is made to a utility [gas corporation] by the owner or occupant of a building situated on property abutting on or having access to any public right-of-way in which the governmental authority having jurisdiction will permit the utility[corporation] to install and maintain facilities, the utility[corporation] shall render the service requested in accordance with the provisions of this Part. [If due to unusual circumstances the actual cost per foot of a particular installation is greater than two times the corporation's average cost per foot of new installations for service for the 12 months ended September 30th of the previous year, it may apply to the commission for relief from so much of this Part as it deems necessary in order to provide the service.]

Underlined indicates additions; [brackets indicate deletions]

(b) *Obligations of all applicants.* An applicant shall first have:

(1) assured the utility[~~corporation~~] that [~~he/she~~]they will be a reasonably permanent customer;

(2) agreed in writing to pay to the utility[~~corporation~~]:

(i) the material and installation costs relating to any portion of the main, service line, service connections and appurtenant facilities that are the responsibility of the applicant [~~located on his/her property that exceeds the portion which the corporation is required to install without charge~~];

(ii) [~~any surcharge relating to the portion of the main and appurtenant facilities that exceeds the portion which the corporation is required to install without charge; and~~

(iii)] the rates charged like customers; and

(3) [~~Furnished~~] furnished reasonable security as to the performance of [~~his/her~~]their agreement, if required to do so by the utility[~~corporation~~].

(c) *Residential applicant*[~~--nonheating~~]. If an applicant requests residential [~~nonheating~~] service, the utility[~~gas corporation~~] shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense of such extension facilities[~~which the corporation must bear~~] shall be borne entirely by the applicant and include:

(1) the material and installation costs relating to [~~up to 100 feet of~~]all main, service line [~~measured from the centerline of the public right-of-way (or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years)~~], service connections, and appurtenant facilities[, but not less than 100 feet of main (if necessary) plus the length of service line necessary to reach the edge of the public right-of-way]; and

(2) the amounts paid to governmental authorities for permits to do the work required and all paving charges that are legally imposed by any governmental authority for the repair or replacement of any street or sidewalk disturbed in the course of such installation.

Underlined indicates additions; [~~brackets indicate deletions~~]

(d) Non-Residential applicant [~~--heating~~]. [If an applicant requests residential heating service, the] The utility [~~corporation~~] shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested.

(1) The cost and expense that [~~which~~] the utility [~~corporation~~] must bear shall include:

[(1)](i) the material and installation costs relating to[:

(i)] up to 100 feet of any combination of main and [~~appurtenant facilities; and~~

(ii) up to 100 feet of ]service line [~~measured from the centerline of~~]located within the public right-of-way [(or the main if it is closer to the customer and development will be limited to one side of the right-of-way for at least 10 years)], service connections, and appurtenant facilities[; but not less than the length of service line necessary to reach the edge of the public right-of-way]; and

[(2)](ii) the amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.

[(e) Nonresidential applicant. If an applicant which will be a firm, nondual-fuel customer requests service other than residential service, the corporation shall furnish, place and construct all mains, service lines, service connections and appurtenant facilities necessary to render the service requested. The cost and expense which the corporation must bear shall include:

(1) the material and installation costs relating to:

(i) up to 100 feet of main and appurtenant facilities; and

(ii) any service line, service connections and appurtenant facilities located in the public right-of-way;

and

(2) the amounts legally imposed by governmental authorities for obtaining required work permits and for repairing or replacing disturbed pavement.]

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~~(f)2~~ *[Matters reserved for utilities' tariffs.]* This section sets forth the ~~[minimum]~~ obligations of ~~utility~~~~[gas corporation]~~ with respect to the facilities required to be provided without charge to applicants for ~~non-residential service~~~~[ and firm, nondual-fuel nonresidential service]~~. The applicant shall be responsible for the costs of all facilities required in excess of these obligations. Utilities shall not provide more than the facilities described in this section except for when the cost of such facilities and their installation is borne by the applicant. ~~[Each corporation may, in its tariff schedules, extend such obligation, to the extent the provision of additional facilities without charge is cost-justified.]~~

~~(e)~~ *[Matters reserved for utilities' tariffs.]* Each ~~utility's~~~~[corporation's]~~ obligations with respect to applicants for interruptible or dual-fuel nonresidential service shall be governed by tariffs approved by the commission.

(f) Each utility shall provide a list of all appurtenant facilities necessary for provision of gas service in its tariff schedule.

(g) Each utility shall provide information on non-fossil fuel alternatives to gas to all applicants for new or expanded gas service.

Section 230.3 is amended to read as follows:

(a) If, in order to provide service to an applicant, the ~~utility~~~~[gas corporation]~~ must install mains, service lines, service connections, and appurtenant facilities in addition to those required to be provided without charge under section 230.2 of this Part, the applicant must pay any required deposit before installation and must pay the full cost for those facilities before the applicant begins taking gas service.

(b) The utility may petition the commission to bill costs through a surcharge for purposes of economic development or affordable housing development. If the commission authorizes the utility to impose a surcharge, such surcharge shall be ~~[corporation shall impose a surcharge]~~ subject to the following provisions.

Underlined indicates additions; ~~[brackets indicate deletions]~~

(1) The surcharge relating to mains, service lines, service connections, and appurtenant facilities ~~[including return, depreciation, taxes and maintenance]~~ shall ~~[not]~~ be calculated to recover at least [exceed] 20 percent per year of the actual ~~[reasonable]~~ cost, including carrying costs to the utility of such facilities that exceeds the portion that[which] the utility[corporation] is required to install without charge to an applicant. ~~[, if the corporation lays a main of four inches or less in nominal diameter (in the case of low pressure distribution) or of two inches or less in nominal diameter (in the case of high pressure distribution). If the corporation lays a main greater than four inches in nominal diameter (in the case of low pressure distribution) or greater than two inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a four-inch main (in the case of low pressure distribution), unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.]~~

(2) The calculation of the surcharge, including all cost elements included, justification for those elements, formulae used in the calculation, and the duration of the surcharge, shall be included in the petition for commission consideration.

~~[(2) The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.]~~

~~(c[3])~~ Whenever more than one customer is connected to a main extension within the first five years of its operation, the cost of the main extension, ~~the surcharge shall be so adjusted that the corporation shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge]~~ shall ~~[also]~~ be reasonably allocated among the customers

Underlined indicates additions; [brackets indicate deletions]

being served from the main extension, taking into account the portion of mains and appurtenant facilities which the corporation is required to provide without charge to each customer served from such facilities.

[ (4) Each surcharge shall cease:

(i) whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;

(ii) whenever the total adjusted gas revenue from all customers served from a main extension shall equal or exceed 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two consecutive calendar years; or

(iii) after a period of 10 years following its commencement.

(5) Should the adjusted gas revenue from all customers served from a main extension exceed the carrying cost of the entire extension, any surcharges (or contributions) paid by such customers during the preceding five years shall be refunded to such customers.

(6) No surcharge shall be imposed if the total adjusted gas revenue from all customers served from a main extension is estimated to exceed 40 percent of the actual reasonable cost of such extension in each of any two consecutive calendar years.

(b) If, in order to provide service to an applicant, the gas corporation must install service lines, service connections and appurtenant facilities in addition to those required to be provided without charge under section 230.2 of this Part, the corporation may impose a charge for material and installation costs as set forth in its tariff approved by the commission.]

(d) Applicants seeking gas service are permitted to perform any necessary trenching or excavation on their private property and shall not be charged for such activities by the utility.

Underlined indicates additions; [brackets indicate deletions]

Section 230.5 is amended to read as follows:

(a) Whenever a utility~~[gas corporation]~~ installs mains, service lines, service connections or appurtenant facilities at the request of an applicant who does not immediately desire service, the applicant shall bear the entire reasonable expense of providing, placing, and constructing such facilities.

(b) ~~[but]~~ Applicants for non-residential service shall be entitled to a refund whenever gas service is begun for such part of the expense as the utility~~[corporation]~~ is herein before required to assume. The refund shall ~~[be]~~equal the expense the utility is required to assume~~[ the cost of the service lines and appurtenances],~~ less depreciation at the applicable commission approved rate for the facilities per the applicable Federal Energy Regulatory Commission account~~[of three percent per year].~~

Section 230.6 is amended to read as follows:

(a) Each utility~~[gas corporation]~~ shall be solely responsible for the inspection, testing, operation, maintenance, replacement and reconstruction of all mains, service lines, service connections and appurtenant facilities ~~[which]~~that it uses to supply gas to customers.

(b) The utility~~[corporation]~~ shall bear the cost of inspecting, testing, and operating all facilities. It shall bear the cost of maintaining, replacing, or reconstructing all mains, service lines, service connections, and appurtenant facilities~~[. It shall also bear the cost of maintaining, replacing or reconstructing the service line and appurtenant facilities necessary to serve each as if such customer were an applicant for service],~~ unless a~~[n]~~ request, act, or ~~[omission]~~omission of the customer necessitates the replacement or reconstruction.

(c) If an act or omission of any applicant or customer who had installed facilities necessitates the replacement or reconstruction of such facilities, the customer shall pay to the utility~~[corporation]~~ the cost of replacement or reconstruction.

Underlined indicates additions; ~~[brackets indicate deletions]~~