

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of a Review of the Long-Term Gas System
Plans of The Brooklyn Union Gas Company d/b/a National
Grid NY, KeySpan Gas East Corporation d/b/a National Case 24-G-0248
Grid, and Niagara Mohawk Power Corporation d/b/a
National Grid**

**COMMENTS OF
THE CITY OF NEW YORK
ON NATIONAL GRID'S LONG-TERM GAS PLAN
ADDENDUM AND PA CONSULTING REPORT**

September 5, 2025

**COUCH WHITE, LLP
540 BROADWAY
P.O. BOX 22222
ALBANY, NEW YORK 12201-2222
518-426-4600**

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of a Review of the Long-Term Gas System
Plans of The Brooklyn Union Gas Company d/b/a National
Grid NY, KeySpan Gas East Corporation d/b/a National
Grid, and Niagara Mohawk Power Corporation d/b/a
National Grid

Case 24-G-0248

PRELIMINARY STATEMENT

The City of New York (“City”) submits these comments in response to the Final Long-Term Gas Plan Addendum¹ filed by The Brooklyn Union Gas Company d/b/a National Grid NY (“KEDNY”) and KeySpan Gas East Corporation d/b/a National Grid (“KEDLI”) (together, “National Grid” or the “Companies”) with the New York State Public Service Commission (“Commission”), and the PA Consulting Report on the Addendum filed shortly thereafter.² The Addendum and the PA Report discuss potential benefits of the Williams Companies’ Northeast Supply Enhancement Project (“NESE Project”). Within its Addendum, National Grid requests that the Commission “review and acknowledge the findings and recommendations” presented in the Addendum, which include a full-throated endorsement of the Project and concludes that “NESE is a timely and effective response to the energy system reliability risks in Downstate New York.”³ In effect, the Addendum requests authorization that National Grid should proceed with a long-term contract for the full capacity of the NESE Project, which should not be granted here.

¹ Case 24-G-0248, In the Matter of a Review of the Long-Term Gas System Plans of The Brooklyn Union Gas Company d/b/a National Grid NY, National Grid NY GSLTP Addendum (filed July 2, 2025) (“Addendum”).

² Case 24-G-0248, *supra*, PA Consulting Report on National Grid’s Final Gas System Long-Term Plan Addendum (filed August 6, 2025) (“PA Report”).

³ Addendum at 7, 11.

As discussed herein, while the City remains a strong proponent of maintaining a safe and reliable gas system, it has significant concerns with National Grid's Addendum, as well as PA Consulting's findings, and offers the following comments: (1) this proceeding is not the correct venue to authorize National Grid to proceed with the NESE Project, which is more appropriately considered in National Grid's next rate case (expected to be filed in the coming months); (2) both the Addendum and PA Report leave material unanswered questions on relevant issues related to the NESE Project, including issues with the demand forecast underlying the Companies' justification for the NESE Project and the unproven assertion that the NESE Project will solve the reliability issues highlighted by Winter Storm Elliot; and (3) the NESE Project is a material leap backwards from the City and State's climate goals, as it would construct an estimated \$1.4 billion asset, the costs of which National Grid proposes to impose on its customers over several decades. The Project would ensure the continuation of fossil fuel combustion in our neighborhoods for several generations and impede the wind down of natural gas infrastructure in New York City. National Grid had identified solutions to reliability concerns in the Long Term Gas Plan, and offers nothing now to explain why building NESE should be a preferred alternative.

Without a thorough assessment of forecast project and gas costs and resulting climate damage, including a robust analysis that considers less expensive solutions with shorter useful lives, the City cannot condone any action by this Commission that would directly or indirectly support the construction of such a significant gas pipeline. A decision by the Commission to authorize this investment and effectively impose these enormous NESE costs to ratepayers in this proceeding would be conceding its failure to develop a plan responsive to the full suite of downstate energy needs.

COMMENTS

POINT I

THE LONG-TERM GAS PLANNING PROCEEDING IS NOT THE APPROPRIATE VENUE TO AUTHORIZE NATIONAL GRID TO PROCEED WITH THE NESE PROJECT

The Long-Term Gas Planning Proceeding was established as an effort to address the clean energy transition and efficiently and cost-effectively manage the move away from the use of natural gas.⁴ While this process may require some interim investment in gas infrastructure to avoid reliability concerns in the near- and middle-term—interim investments that already have been identified by National Grid and put before the Commission for consideration in this proceeding – it is inarguable that the underlying intent of this proceeding was to **avoid** building out the gas system to mitigate the possibility of stranded assets and minimize bill impacts to gas customers, and not to approve a major infrastructure investment that would flood the system with incremental gas. Indeed, National Grid's Addendum contravenes the stated purpose of this proceeding, the goals and commitments of the Commission, and the mandates set forth in the Climate Leadership and Community Protection Act (“CLCPA”).⁵

By now seeking authorization to proceed with a long-term contract to support construction of a significant expansion to an existing interstate gas pipeline—a project that is projected to cost

⁴ Cases 20-G-0131, *et al.*, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Order Adopting Gas System Planning Process (issued May 12, 2022) at 17-18 (“The gas system planning process we adopt in this Order will ensure that the Commission has the necessary information to consider the LDCs’ long-term plans and alternative solutions to ensure that New York’s residents can continue to have safe, adequate, and reliable gas service as we transition to alternative energy sources to reduce GHG emissions”) (“Gas Planning Order”).

⁵ *Id.* See also L. 2019, Chapter 106.

up to \$1.4 billion⁶—for which National Grid will contract for 100 percent of the capacity, National Grid has inverted the original intent of this proceeding, from one focused on a long-term transition away from gas system expansion to one now focused on expanding the gas system in both the near- and long-term. While expedient, the Addendum is not a good faith effort to tackle the monumental challenge of transitioning off of fossil fuels, which is necessary to protect human health and our environment.

Specifically, the Gas Planning Order directed the utilities to integrate non-pipe alternatives (“NPAs”) into their standard gas system planning processes, both in the context of specific avoidable projects in a particular area of the distribution system, and system-wide to reduce overall demand and the need for infrastructure investment.⁷ Recognizing that NPAs may not be able to replace the entire system load at this time, the Commission allowed the utilities to develop plans that incorporate infrastructure investments for particular projects or portions of its long-term plan.⁸ Those exceptions notwithstanding, the primary intent of the Long-Term Gas Planning Proceeding is to identify, and plan for, a long-term transition away from the gas system.

Equally concerning is National Grid’s timing for this request, which comes at the conclusion of a lengthy proceeding that saw extensive analysis, commentary, and stakeholder input on reliable long-term gas system planning, all predicated on the assumption that the NESE Project

⁶ NYC Comptroller, “Comments of the New York City Comptroller Brad Lander Submitted to the New York State Department of Environmental Conservation Regarding the Northeast Supply Enhancement Project” (August 14, 2025), available at: <https://comptroller.nyc.gov/newsroom/comments-of-the-new-york-city-comptroller-brad-lander-submitted-to-the-new-york-state-department-of-environmental-conservation-regarding-the-northeast-supply-enhancement-project/#:~:text=Not%20only%20is%20this%20pipeline,another%20costly%2C%20unnecessary%20gas%20project.>

⁷ Gas Planning Order at 36-37.

⁸ *Id.*

did not and would not exist. Further, the NESE Project is not yet fully permitted, so any approval for National Grid to proceed with this project is premature, and would only serve to bolster the project to the benefit of its private sector developers.

The Companies are now asking the Commission, at the eleventh hour, to make a consequential decision on the long-term makeup of New York City's gas system, on the basis of an immature project and insufficient record (at least as compared to the extensive record previously developed throughout the course of this proceeding). As such, addressing the NESE Project in the context of this proceeding, particularly at this late stage, is counter to the Commission's directives and the intent of the proceeding.⁹

Instead, a major investment of this nature, which will directly and significantly impact customer bills for many years to come, should be addressed in National Grid's next rate case, anticipated to be filed in 2026. There, the Commission can review the costs of contracting for the NESE Project, and the subsequent bill impacts, holistically in the context of the Companies' overall revenue requirement needs, including infrastructure spending. It will also allow for a more fulsome examination into how the NESE Project would fit within the context of other proposed supply enhancement projects such as the Iroquois Expansion by Compression project and/or the Greenpoint Vaporizer expansion proposal. Importantly, key stakeholders will have a seat at the table to examine the alleged need for the NESE Project and develop an evidentiary record, rather than be limited to a mere comment period. The NESE Project, if it proceeds, will have transformative consequences to our City's urban fabric, economy, and the health of the people who live and work in New York. Deciding this matter now would reduce the public's opportunity

⁹ This concern is only underscored by the substantive concerns on the Addendum and PA Report identified herein.

to substantively weigh in on this question that will impact New York City's environment, our air quality, and energy affordability.

Delaying a decision until the next rate case would also provide time for the Companies to finalize their latest demand forecasts, which is a key data point for any decision making on the NESE Project. As discussed in Point II, below, in the Addendum the Companies previewed potentially significant reductions in future demand in their next iteration of their demand forecast. This forecast is not finalized yet but will be final by the Companies' next rate filing, which highlights the importance of waiting for this key piece of information.

Moreover, according to the Addendum, the costs of the NESE Project will likely constitute a "major change" to National Grid's rates and charges under N.Y. Public Service Law ("PSL") § 66, defined as any increase in rates and charges that would increase aggregate utility revenues by the greater of \$300,000 or 2.5%. Among other things, PSL § 66 requires the Commission to hold a hearing on any "major change" and make a determination on the utility's compliance with its most recently completed management and operations audit.

According to National Grid, the costs of the NESE Project are forecasted to increase the average residential bill by \$7.61 and \$7.44 per month for KEDNY and KEDLI, respectively, which equates to a 3.5% increase per month for each company.¹⁰ Substantively, this is wholly unacceptable, as our City faces an affordability crisis that threatens the ability of families and small businesses to live comfortably and healthily in New York City. This also impermissible as a question of procedure, as it is above the 2.5% threshold for a "major change," and therefore the hearing and other associated requirements of PSL § 66 are arguably triggered by National Grid's request to recover costs of the NESE Project. These requirements can be best satisfied within the

¹⁰ Addendum at 35.

context of National Grid's upcoming rate case, where the need for the NESE Project can be properly vetted and an appropriate evidentiary record can be established.

In addition, in light of the bill increases that customers have experienced through recent rate cases across the state, including National Grid customers in the last rate case¹¹, and ongoing and growing energy affordability concerns, it is critical that any cost recovery requests be considered holistically to mitigate consumer impacts. As there does not appear to be an immediate need to address the NESE Project here, and given its inconsistency with the overall purpose of the Long-Term Gas Planning proceeding, the City submits that the NESE Project should be considered within National Grid's next rate case.

POINT II

THE ADDENDUM AND PA REPORT RELY ON SHIFTING, AND POTENTIALLY IRRELEVANT, DEMAND FORECASTS IN SUPPORT OF THE NESE PROJECT

National Grid's demand forecast has been and continues to be a focus of concern throughout this proceeding. The City, other stakeholders, and PA Consulting all raised concerns with the demand forecast in the Companies' initial Long-Term Plan, and the demand forecast has consistently changed in each iteration of the Plan and even in PA Consulting's reports.

This constant change in the demand forecast between versions of the Plan and PA Consulting's reports makes it difficult to ascertain when any short-term supply/demand gaps will occur and, subsequently, whether infrastructure investments are needed. Inasmuch as National Grid and PA Consulting cannot agree on the assumptions that are appropriate to incorporate into

¹¹ See Cases 23-G-0225, *et al.*, KEDNY and KEDLI – Gas Rates, Order Approving Terms of Joint Proposal and Establishing rate Plans, with Minor Modification and Correction (issued August 15, 2024) (approved an average bill increase of 10.5% and 9.4% for KEDNY and KEDLI, respectively).

a demand forecast, the City maintains its prior position that it is difficult to decide the proper next steps for long-term gas system planning and, correspondingly, the need for the NESE Project.

The Addendum presents a stark illustration of the City's concerns. In the Addendum, National Grid acknowledges that its prior forecasts for a supply/demand gap (which drove much of the long-term planning analysis throughout this proceeding) may have overstated the timing of the gap by up to **14 years**. More specifically, National Grid previously warned that a supply/demand gap may materialize as soon as Winter 2027/28, while in the Addendum National Grid indicates for the first time that, based on its latest demand forecast updates, this gap may not materialize until Winter 2041/42. It is notable that these forecasts were all done assuming the NESE Project is not part of the supply stack.

This is no small matter and plainly underscores the City's concerns on the accuracy of National Grid's demand forecasts. It is also a continuation of a recent trend where each successive iteration of the Companies' demand forecast shows lower future demand than the prior version.

As noted in prior comments, the City recognizes that demand forecasting is not a perfect science, but considering National Grid's reliance on the demand forecast in its argument for cost recovery of the NESE Project, it is critical for stakeholders to have confidence in the forecast and transparency into how it incorporates the chosen gas planning pathway. This emphasizes the need for the Commission to defer a decision on the NESE Project until National Grid's next rate case.

Lastly, the City notes that the demand forecast presented by National Grid in the Addendum, and subsequently in the PA Report, is completed using assumptions from the Reference Case. This is concerning because no party to this proceeding, National Grid included, advocated for long-term gas system planning based on the Reference Case. For example, National Grid states unequivocally in the Addendum that the Clean Energy Vision, not the Reference Case,

remains its preferred pathway to meet the State's decarbonization and emissions reduction goals.¹² This begs the question of why both National Grid and PA Consulting relied on the Reference Case demand forecast as the basis for a potential investment in the NESE Project.

While projected supply/demand gaps might materialize under the Reference Case, PA Consulting has previously concluded that no projected supply/demand gaps exist under either the Clean Energy Vision or the Accelerated Electrification pathways.¹³ Indeed, those pathways both demonstrate a projected oversupply using PA Consulting's assumptions, before considering the added supply from the NESE Project. At minimum, before making any determination on the NESE Project, the Commission should direct PA Consulting to perform additional analysis of the NESE Project under both the Clean Energy Vision and Accelerated Electrification pathways. These analyses will shed light on the scope of the likely oversupply assuming National Grid does not proceed under the Reference Case.

POINT III

THERE ARE GAPS IN THE RELIABILITY CONCERNS IDENTIFIED BY NATIONAL GRID AND PA CONSULTING THAT SHOULD BE ADDRESSED BEFORE PROCEEDING WITH THE NESE PROJECT

Both National Grid and PA Consulting rely on potential reliability benefits as the primary justification for moving forward with the NESE Project, citing to Winter Storm Elliot and the need to reduce reliance on lower reliability supply sources such as compressed natural gas.¹⁴

¹² Addendum at 34.

¹³ See Case 24-G-0248, *supra*, PA Preliminary Findings Report on National Grid's Revised Long Term Gas Plan (filed January 30, 2025) at 62-66; PA Final Report on National Grid's Final Long Term Gas Plan (filed May 19, 2025) at 62-66.

¹⁴ Addendum at 7-8.

The City appreciates the need to address reliability concerns and shares the concerns about avoiding the potential disastrous results from another Winter Storm Elliot. The City is concerned, however, that neither National Grid nor PA Consulting have fully analyzed the assumed reliability benefits or the available alternatives for improving reliability.

For example, neither the Addendum nor the PA Report contains a substantive discussion on how the NESE Project would solve the upstream infrastructure issues that arose during Winter Storm Elliot (*i.e.*, freeze ups at the compressor station).¹⁵ The City submits that this is a critical question that needs to be answered before this large capital commitment is approved. At technical conferences in this proceeding, National Grid stated it is taking actions to improve the reliability of its upstream suppliers, for example through winterization and other efforts, however none of these efforts are identified or assessed in the Addendum or the PA Report. Further investigation into these efforts, and the attendant benefits they can provide, is prudent before the Commission increases National Grid's reliance on upstream supply assets such as compressors stations that failed when needed during Winter Storm Elliot.

Further, PA Consulting states that even if National Grid experiences the same failures experienced during Winter Storm Elliot, the NESE Project nevertheless will be beneficial because

¹⁵ See generally Federal Energy Regulatory Commission, North American Electric Reliability Corporation and Regional Entity Staff, "Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliot" (issued October 2023), available at: <https://www.ferc.gov/media/winter-storm-elliott-report-inquiry-bulk-power-system-operations-during-december-2022>

there will be more gas in the pipeline to provide additional time to help resolve issues that arise during storms.¹⁶ While this may indeed provide a benefit, there is no detail provided as to what additional time or benefit this added gas provides during an emergency. For example, does this offer extra minutes or extra hours of response time? The answer here could have a real impact on reliability during a winter storm event, and there should be an analysis of whether less costly alternatives exist that can provide similar benefits.

Finally, it is notable here that the Department of Public Service (“DPS”) has not yet made a reliability assessment on the NESE Project. In February 2024, DPS made a detailed reliability assessment for the Iroquois Enhancement by Compression Project (“ExC Project”), finding that the ExC Project was “justified based on the role it would play in ensuring gas system reliability in the service areas of both [Con Edison] and National Grid.”¹⁷ DPS’s reliability assessment of the ExC Project was critical to the NYS Department of Environmental Conservation’s (“DEC”) issuance of permits for the ExC Project.¹⁸ The absence of a similar reliability determination for

¹⁶ PA Report at 9.

¹⁷ See DPS Staff Letter to DEC re. DEC Application IDs: 3-1326-00211/00001 (Dover Compressor Station); 4-1922-00049/00004 (Athens Compressor Station) (February 26, 2024) at 1, available at: <https://dec.ny.gov/sites/default/files/2024-02/dpsresponseletter.pdf>.

¹⁸ See <https://dec.ny.gov/regulatory/notable-projects-documentation/iroquois-enhancement-by-compression-exc-project#:~:text=On%20December%2028%2C%202022%2C%20NYSDEC,%20on%20February%207%2C2025> (“The issuance of the permits is based on a reliability need in accordance with the findings in DPS’ assessment, despite any inconsistency with or interference with the attainment of the Statewide greenhouse gas emission limits established in article 75 of the Environmental Conservation Law Climate Leadership and Community Protection Act and reflected in 6 NYCRR Part 496.”).

the NESE Project leaves a notable gap in the record supporting the claimed reliability benefits of the NESE Project.¹⁹

In sum, more analysis is needed to fully analyze the potential reliability benefits of the NESE Project, and such benefits should be weighed against the potential costs to customers and the failure to aggressively address CLCPA goals. National Grid did not conduct a benefit cost analysis to inform whether the extraordinary cost of this project is necessary, or that it will help avoid the upstream equipment failures that occurred during Winter Storm Elliot. This lack of objective analyses makes it impossible for stakeholders and the Commission to properly assess whether the NESE Project is needed.

As such, the City requests that National Grid conduct a comprehensive cost benefit analysis of the NESE Project, within the context of the next rate filing as discussed above, to present a full picture of whether this project is truly needed to address short-term reliability concerns and whether contracting with the NESE Project is the most cost-effective option for addressing such concerns.

¹⁹ While PA Consulting seemingly agrees that the NESE Project offers reliability benefits, the PA Report – completed as part of PA Consulting’s role as outside consultant to DPS – does not constitute a reliability assessment from DPS equivalent to the findings from DPS on the ExC Project.

CONCLUSION

For the reasons discussed herein, the City shares the fundamental position that while we work to reduce fossil fuel consumption and disconnect ratepayers from natural gas infrastructure in alignment with the CLCPA and Scoping Plan, the existing gas infrastructure must be safe and reliable. However, there is an insufficient record here to approve the requested major investment in the NESE Project. Instead, the City respectfully requests the Commission defer a decision on whether to proceed with the NESE Project until National Grid's next rate case, which will allow for a more holistic examination of the request, including further consideration of the City's concerns on the demand forecast and reliability benefits cited as support for the NESE Project. The City looks forward to continuing to work with National Grid, DPS Staff, and other stakeholders on developing the most efficient, beneficial, and cost-effective long-term gas plan that will achieve the State's and City's climate goals.

Respectfully submitted,

Adam T. Conway

Adam T. Conway, Esq.
Melanie M. Franco, Esq.
COUCH WHITE, LLP
Counsel for the City of New York
540 Broadway
Albany, New York 12201-2222
aconway@couchwhite.com
mfranco@couchwhite.com

Dated: September 5, 2025
Albany, New York