

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid.

ORDER DENYING PETITIONS FOR REHEARING

Issued and Effective: December 22, 2025

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on December 18, 2025

COMMISSIONERS PRESENT:

Rory M. Christian, Chair
James S. Alesi
David J. Valesky
Uchenna S. Bright
Denise M. Sheehan
Radina R. Valova

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System Plans of The Brooklyn Union Gas Company
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Corporation d/b/a National Grid, and Niagara
Mohawk Power Corporation d/b/a National Grid.

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(Issued and Effective December 22, 2025)

BY THE COMMISSION:

INTRODUCTION

On September 18, 2025, we issued an order regarding the long-term plan (LTP) filed by The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI), and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, National Grid or the Company).¹ The Company engaged with Department of Public Service staff (Staff), PA Consulting (PA), and stakeholders regarding the LTP through a series of technical

¹ Case 24-G-0248, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions (issued September 18, 2025) (LTP Order).

conferences, filings, and comments. Ultimately, the Company filed its Final LTP on March 7, 2025, and a Supplement to the Final LTP on July 2, 2025. The Supplement addressed the renewed proposal of Transcontinental Gas Pipeline Company, LLC (Transco) to construct the Northeast Supply Enhancement (NESE) project. The NESE project is a proposed interstate pipeline that would loop the existing lateral from New Jersey, across New York Bay, and connect to the existing Rockaway Transfer Point, ultimately providing an additional 400,000 dekatherms (dt) of capacity per day to National Grid's downstate gas system. As part of the long-term planning process, PA provided multiple reports regarding the Company's LTP filings and stakeholders' feedback, culminating on a Final Report filed on May 19, 2025. PA also filed a report concerning National Grid's Supplement (Report on the Supplement) on August 6, 2025.

The LTP Order considered the Final LTP and the Supplement, as well as the PA reports and comments filed pertaining to the LTP filings. Additionally, the LTP Order considered the benefits and costs of NESE and observed that the additional firm capacity and other aspects of the NESE project would materially improve the reliability and resilience of the downstate gas system.² The LTP Order also directed the Company to provide additional information related to the Company's demand forecasting and to provide analysis regarding "right-sizing" the Company's supply stack in the case that the NESE Project receives the necessary permits and is constructed.³

On October 20, 2025, Natural Resources Defense Council (NRDC) filed a petition for rehearing and clarification, and New

² LTP Order, pp. 3-4.

³ LTP Order, p. 3.

Yorkers for Clean Power (NYCP) filed a petition for rehearing.⁴ NRDC and NYCP (collectively, the Petitioners) make four claims concerning the LTP Order to support the requests for rehearing. First, they argue that the Commission committed errors of fact to support its statement that the downstate natural gas system has a need for more reliable sources of capacity, which NESE could provide.⁵ Second, NRDC argues that the Commission committed an error of law, alleging that the LTP Order approved a major rate increase without the requisite evidentiary hearing.⁶ Third, the Petitioners argue that the Commission did not comply with the requirements the Climate Leadership and Community Protection Act (CLCPA) §7(2) and (3).⁷ Fourth, NYCP argues that the Commission did not consider a new circumstance, namely, the legislature's passage of Assembly bill 8888/Senate bill 8417 (100-Foot Rule Bill), which would require residential applicants for gas service to pay the costs of the entire extension of gas facilities necessary to serve them.⁸

Upon review of the Petitioners' arguments, we conclude that they fail to identify any actual errors of law or fact in the LTP Order or changed circumstances that warrant a different outcome. Undergirding much of Petitioners' contentions is a misunderstanding or mischaracterization of the LTP Order. Petitioners portray the LTP Order as taking a definitive regulatory action, such as approval of or authorizing a change

⁴ Case 24-G-0248, NRDC Petition for Rehearing and Clarification, (filed October 20, 2025) (NRDC Petition) and Case 24-G-0248, NYCP GSLTP Rehearing Filing (filed October 20, 2025) (NYCP Petition).

⁵ NRDC Petition, p. 2; NYCP Petition, p. 2.

⁶ NRDC Petition, p. 2.

⁷ NRDC Petition, pp. 2-3; NYCP Petition, p. 2.

⁸ NYCP Petition, p. 12.

in rates associated with NESE. However, Petitioners are incorrect. While we address each claim in detail below, at heart, the LTP Order repeatedly and explicitly states that the Commission has no role in permitting or approving NESE.⁹ The LTP Order's discussion of NESE was limited to discussing the benefits and costs of NESE and "acknowledge[s] there is a need for the more reliable source of supply that NESE will provide if it receives all required approvals and is constructed."¹⁰ Accordingly, by this Order, the Commission denies the Petitions.

BACKGROUND

In the Order Adopting the Gas System Planning Process, the Commission adopted a long-term natural gas planning process to ensure that the State, customers, stakeholders, and other interested entities have the opportunity to understand and engage in the discussion regarding the future of natural gas service and infrastructure in the State.¹¹ We explained that the intent of the gas system planning process is to "ensure that the Commission has the necessary information to consider the [local distribution companies'] 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 [greenhouse gas] emissions."¹²

In this proceeding, National Grid filed its Initial LTP on June 3, 2024, for all three of its operating companies,

⁹ LTP Order, pp. 3, 48, 57, 127, 128, 137.

¹⁰ LTP Order, p. 3.

¹¹ Case 20-G-0131, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Order Adopting Gas System Planning Process (issued May 12, 2022) (Planning Order).

¹² Planning Order, pp. 17-18.

NMPC, KEDNY, and KEDLI. NMPC's system is also referred to as the "upstate" system, and KEDNY and KEDLI's systems can be collectively referred to as the "downstate" system. National Grid filed its Revised LTP on October 23, 2024, and its Final LTP on March 7, 2025. On June 2, 2025, the Company filed a request to update its LTP to reflect Transco's May 29, 2025, petition to the Federal Energy Regulatory Commission (FERC) requesting reissuance of a certificate of public convenience and necessity to construct and operate the NESE Project.¹³ National Grid filed its Supplement on July 2, 2025. The Supplement to the Final LTP analyzed the impact NESE would have on the downstate system, but "does not alter the content of the LTP itself or its recommendations."¹⁴ The Supplement also provided an updated demand forecast, which projected lower demand than the demand forecast in the Final LTP.

This proceeding included the submission of multiple reports by PA, in which the consultant provided its assessment of National Grid's LTP filings. These included PA's Initial Report, filed on September 27, 2024, Preliminary Findings Report, filed on January 30, 2025, Final Report, filed on May 19, 2025, and Report on the Supplement, filed on August 6, 2025.

Further, this proceeding has included several rounds of comments, multiple technical conferences, and public statement hearings to ensure ample opportunity for stakeholder

¹³ Case 24-G-0248, Gas System Long-Term Plan Extension Request (filed June 2, 2025).

¹⁴ Supplement, pp. 5-6.

participation.¹⁵ On July 18, 2025, several stakeholders jointly filed a motion to strike National Grid's Supplement.¹⁶

On September 18, 2025, the Commission issued the LTP Order. As the LTP Order states, the Commission's "core responsibility at this time remains to ensure that the utilities provide safe and adequate gas service at just and reasonable rates."¹⁷ The LTP Order did not approve National Grid's LTP or any specific projects, but instead made observations based on the record and required that the Company take specific near-term actions regarding further steps in the planning process.¹⁸ More specifically, these near-term actions include directing the Company to improve its forecasting methodologies and processes, and to file a report within 90 days of the LTP Order describing such improvements and providing updated forecasts.¹⁹

The Commission observed that National Grid's downstate natural gas system has current reliability concerns due to supply constraints, which in turn are due to inadequate interstate pipeline capacity serving National Grid's downstate system.²⁰ The downstate system relies on liquified natural gas (LNG), compressed natural gas (CNG), delivered services, and peaking supplies. While the Consolidated Edison Company of New York, Inc. (Con Edison) and National Grid can exchange supply, Con Edison cannot increase gas volume deliveries to National Grid on a design day without jeopardizing the reliability of Con

¹⁵ LTP Order, Appendix A.

¹⁶ Case 24-G-0248, Joint Letter Motion to Strike National Grid Addendum (filed July 18, 2025). Environmental Defense Fund, NRDC, NYCP, and Sierra Club submitted the motion.

¹⁷ LTP Order, p. 46.

¹⁸ LTP Order, p. 48.

¹⁹ LTP Order, p. 51.

²⁰ LTP Order, p. 58.

Edison's gas system and the safety of the customers it serves.²¹ The LTP Order detailed the events during Winter Storm Elliott in December 2022 to demonstrate the severity of these supply constraints. Even though Winter Storm Elliott did not present design day conditions,²² it nearly resulted in service outages to at least 30,000 of National Grid's customers. The storm severely reduced production in the Marcellus and Utica Shale formations.²³ Despite using all resources available to increase supply and reduce demand, National Grid was less than 30 minutes from initiating curtailments of natural gas to an initial group of 30,000 customers.²⁴ The LTP Order described the extreme negative consequences of such curtailments, including customers losing heat for weeks during the winter months and the high costs to restore gas service, and thus heat, for those customers.²⁵

The Commission found that NESE would provide National Grid with additional flexibility and time to stabilize the gas system during a future event similar to Winter Storm Elliott.²⁶ Further, the Commission stated that, in addition to the increased capacity, NESE would provide reliability benefits

²¹ LTP Order, p. 58.

²² Design day is generally the coldest actual day on record for a utility's service territory and the conditions a utility uses for planning purposes to ensure that sufficient resources are procured to meet demand under severe cold weather conditions. For National Grid's downstate service territory, a design day is a day with an average temperature of 0 degrees Fahrenheit.

²³ LTP Order, pp. 61-62.

²⁴ LTP Order, pp. 62-63. We also reviewed the time consuming, laborious, and expensive efforts needed to restore gas service and took note of such experiences in Rhode Island and New York. *Id.*, pp. 21-22, 64-66.

²⁵ LTP Order, pp. 64-66.

²⁶ LTP Order, p. 66.

because it would increase line pack, facilitate access to supply sources from throughout the country, improve system pressure at interconnection points, and reduce the downstate system's reliance on trucked CNG.²⁷

The LTP Order described two different costs which National Grid will incur if NESE is constructed: supply and capacity costs from the delivery of gas through the NESE pipeline; and costs of National Grid constructing two on-system projects.²⁸ National Grid asserted that the two on-system projects would enable the Company to maximize its use of the capacity provided by NESE.²⁹ Consistent with previous orders regarding other utilities' long-term plans, the Commission stated that it was "not authorizing cost recovery for either the NESE demand charges or the costs of the two identified on-system capital projects."³⁰ Supply and capacity costs that National Grid incurs would be reviewed in the Commission's annual audit of gas costs.³¹ Likewise, National Grid would need to pursue cost recovery for the two on-system projects in a future rate proceeding.³² The Commission stated that any National Grid rate case proposal that relates to the LTP "will be subject to thorough review through the traditional rate case process, without any presumption as to the outcome."³³

The LTP Order contained analyses concerning the impact of the Commission's action on greenhouse gas (GHG) emissions,

²⁷ LTP Order, pp. 66-70.

²⁸ LTP Order, pp. 72-73.

²⁹ Supplement, p. 36.

³⁰ LTP Order, p. 73.

³¹ LTP Order, p. 73.

³² LTP Order, p. 73.

³³ LTP Order, p. 48.

and disadvantaged communities, as required by CLCPA §7(2) and (3). CLCPA §7(2) requires all State agencies to consider whether specified final agency actions are inconsistent with or will interfere with the attainment of statewide GHG emission limits; and that if such decision is deemed inconsistent with GHG limits, the agency must justify why such limits may not be met and identify alternatives or mitigation measures. The Commission determined that the LTP Order, in considering the Company's LTP and requiring that the Company take additional actions, is "not inconsistent with CLCPA §7(2)."³⁴ The Commission reiterated that the actions and directives in the LTP Order provide a framework for National Grid to advance toward the State's climate goals while continuing to provide safe, adequate, and reliable service to the many customers who rely on National Grid's existing, present-day distribution system.³⁵ Furthermore, the Commission did not approve NESE or any other project through the LTP Order.³⁶

CLCPA §7(3) requires that State agencies do not disproportionately burden disadvantaged communities, and that State agencies prioritize reductions in GHG and co-pollutants in disadvantaged communities. The Commission found that its directives in the LTP Order do not disproportionately burden any disadvantaged community. Moreover, the Commission found that

³⁴ LTP Order, p. 127.

³⁵ LTP Order, p. 127.

³⁶ See LTP Order, p. 3 ("the Commission has no formal role in approving or permitting the construction of NESE"), p. 48 ("We note that the Commission has no role in the permitting of interstate pipeline projects"), p. 128 ("the Commission is not approving or permitting the construction of any projects identified in the long-term plan in this Order", p. 137 ("the Commission does not have a formal role in permitting or approving the construction of NESE").

many programs in the LTP Order, including energy efficiency and leak-prone pipe replacement, will reduce GHGs and co-pollutants in such communities, in compliance with CLCPA §7(3). In addition, the Commission required National Grid to report on programs and investments benefiting disadvantaged communities.³⁷ Regarding NESE, even though the LTP Order did not approve or permit NESE, the Commission explained that the project would not be located in any disadvantaged communities if it is constructed. The Commission also found that the NESE project could benefit disadvantaged communities because it is projected to reduce reliance on trucked CNG, so reducing or eliminating truck trips could reduce the emissions from those trucks.³⁸ As such, the Commission found that the LTP Order is not inconsistent with and would not interfere with the GHG emissions limits of the CLCPA, as required by CLCPA §7(2), and would not disproportionately burden disadvantaged communities, as required by CLCPA §7(3).³⁹

PETITIONS FOR REHEARING

On October 20, 2025, NRDC and NYCP filed their petitions. The Petitioners present four primary arguments. First, Petitioners argue that the LTP Order contained errors of fact, in its statements that the downstate gas system needs incremental capacity and that NESE would appropriately satisfy that need and provide additional reliability benefits, and in its discussion of the use of hydrogen as part of National Grid's Clean Energy Vision (CEV) scenario supply portfolio. Second,

³⁷ LTP Order, pp. 128-129.

³⁸ LTP Order, pp. 16, 128-129 (generally, the CNG sites are located in or near disadvantaged communities.).

³⁹ LTP Order, pp. 127-129.

NRDC contends that the Commission made an error of law by approving a major rate increase without an evidentiary hearing, as allegedly required by PSL §66(12). Third, Petitioners argue that the Commission did not comply with CLCPA §7(2) and (3) because the Commission did not sufficiently analyze the impacts of the LTP Order on state emissions goals or on disadvantaged communities. Fourth and finally, NYCP argues that the Commission did not consider the passage of the 100-Foot Rule Bill, which it contends is a new circumstance warranting a different determination.

Alleged Errors of Fact

NYCP contends that it is an error for the Commission to claim that NESE would provide any meaningful reliability benefit.⁴⁰ NRDC argues that the Commission's determination that NESE is needed is inconsistent with its reliance on the 2025 demand forecast, which shows capacity exceeding demand on design day through 2050 without NESE.⁴¹ NRDC also argues that the economic and reliability benefits in the LTP Order are not supported by hydraulic modeling or "gas-customer-focused benefit-cost analysis."⁴² Further, NYCP claims that the Commission was factually wrong to state that NESE would provide supply diversity, arguing instead that NESE would secure supply from the same system as existing laterals.⁴³ NYCP also questions whether the Commission took any steps to fulfill its statutory duty to ensure the reliability of the gas system prior to May 2025.⁴⁴

⁴⁰ NYCP Petition, p. 5.

⁴¹ NRDC Petition, p. 11.

⁴² NRDC Petition, p. 10.

⁴³ NYCP Petition, p. 7.

⁴⁴ NYCP Petition, p. 4.

The Petitioners claim that the Commission erroneously relied on Winter Storm Elliott to support its claim that NESE would improve the reliability of the downstate natural gas system.⁴⁵ NYCP argues that the Commission committed an error of fact by exaggerating what NESE's line pack benefit would have been during Winter Storm Elliott.⁴⁶ NRDC argues that the Commission committed an error of fact when it stated that NESE's additional supply would have been beneficial during Winter Storm Elliott; NRDC stated, "service during [Winter Storm Elliott] was maintained by in-state, controllable resources and operational tools-not by additional interstate pipeline laterals"⁴⁷ Furthermore, NRDC claims that the LTP Order did not quantify NESE's reliability benefits during a future Winter Storm Elliott-like event.⁴⁸

NYCP alleges that the fact that Con Edison's LTP does not reference Winter Storm Elliott indicates that reliability concerns related to Winter Storm Elliott do not exist and there is no need or factual basis for NESE's additional supply of 400,000 Dt/d.⁴⁹ Further, NYCP claims that Commission's statement that NESE is needed lacks any factual basis and is an error of fact.⁵⁰ Further, NCYP claims that the Commission erred in concluding that NESE is needed to provide safe, adequate, and reliable service based on supply-side arguments, without considering the demand-side impacts.⁵¹ NYCP also claims that the

⁴⁵ NRDC Petition, p. 11; NYCP Petition, p. 7.

⁴⁶ NYCP Petition, p. 7.

⁴⁷ NRDC Petition, p. 11.

⁴⁸ NRDC Petition, p. 12.

⁴⁹ NYCP Petition, p. 5.

⁵⁰ NYCP Petition, p. 4.

⁵¹ NYCP Petition, p. 9.

Commission "misinterprets the history of gas outages, ignores their actual causes, and erroneously prescribes a remedy that actually increases the statistical probability of outages"⁵²

NYCP argues that the Commission's "determination of the pressure and supply benefits of equiproportional curtailment is erroneous."⁵³ In addition, NYCP claims that the increased supply from NESE would induce demand, and argues that the Commission committed an error of fact by not considering such demand-side impacts of NESE.⁵⁴ NRDC alleges that, based on the LTP Order's requirement that National Grid update its demand forecasting methodology and forecasts, the record supporting the Commission's finding that NESE is needed is incomplete and, therefore, the Commission erred in stating that there is a need for an additional source of supply on the basis of the inadequate record.⁵⁵ Also, NRDC claims that the Commission erred because it did not rely on "hydraulic modeling or measured risk-reduction" to support its statement that NESE's additional supply would have increased pressure and supply during a storm like Winter Storm Elliott.⁵⁶ Further, NRDC claims that the "economic case is speculative and not gas-customer focused."⁵⁷ Additionally, NYCP claims that NESE is a redundant lateral which does not address upstream freeze-offs and local distribution limits.⁵⁸

⁵² NYCP Petition, p. 11.

⁵³ NYCP Petition, p. 8.

⁵⁴ NYCP Petition, pp. 8-9.

⁵⁵ NRDC Petition, p. 14.

⁵⁶ NRDC Petition, p. 12.

⁵⁷ NRDC Petition, p.13.

⁵⁸ NYCP Petition, p. 7.

NYCP also argues that the Commission committed an error by stating that National Grid used acceptable methods to calculate emissions impacts.⁵⁹ Further, NYCP claims that National Grid's inclusion of hydrogen in its LTP will leave a supply gap.⁶⁰ NYCP also claims that the emissions accounting in the Final LTP does not accurately account for fugitive methane emissions, and that the Commission erred in its determination that such emissions accounting was acceptable.⁶¹

Alleged Error of Law - PSL § 66(12)(f)

NRDC claims that the LTP Order is a "de facto prudence determination, creating a presumption of cost recovery"⁶² NRDC contends that the Commission's "prudence standard" allows utilities to recover expenditures that were demonstrated to have been prudently incurred, based on the facts available at the time.⁶³ NRDC argues that, by concluding in the LTP Order that it is "appropriate for National Grid to seek capacity on NESE" based on the record available, the Commission created a presumption that the full costs incurred under the contract for NESE capacity will be recoverable from ratepayers.⁶⁴ Moreover, NRDC claims that the Commission "preempted its ability to find imprudence" once it considers National Grid's requested cost recovery for NESE in a rate proceeding because of the

⁵⁹ NYCP Petition, p. 13.

⁶⁰ NYCP Petition, p. 14.

⁶¹ NYCP Petition, pp. 15-16.

⁶² NRDC Petition, p. 2.

⁶³ NRDC Petition, p. 5 (citing Cases 16-G-0058 et al., KeySpan Gas East Corporation d/b/a National Grid and The Brooklyn Union Gas Company d/b/a National Grid NY - Rates, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plans (issued December 16, 2016), p. 84).

⁶⁴ NRDC Petition, pp. 6-7 (citing LTP Order, p. 83).

Commission's prudence determination in the LTP Order.⁶⁵ NRDC claims that the Commission pre-approved an increase of \$7.50 per month in pipeline demand charges with a customer bill impact of 3.5 percent, which equate to "a major customer bill impact ... that triggers [PSL] §66(12)."⁶⁶ NRDC alleges that the LTP Order's statement that supply and capacity charges "are reviewed in the annual audit of gas costs, outside of a delivery rate proceeding" circumvents the requirement in PSL §66(12) for an evidentiary hearing for any major changes to rates.⁶⁷

Alleged Error of Law CLCPA §7(2) and (3)

NRDC disagrees with the Commission's statement that the Commission "is not taking any final agency actions."⁶⁸ Instead, NRDC asserts that the Commission's statements that NESE would meet a need and that it is appropriate for National Grid to seek capacity on NESE "operate[] as a de facto prudence determination signifying that full cost recovery will be granted if the project is constructed."⁶⁹ Thus, NRDC argues, "[b]y determining the need for/prudence of NESE without a quantitative GHG assessment or analysis of alternatives, the Commission advanced fossil expansion without demonstrating consistency with statewide emission limits," justifying any inconsistency with those limits, or identifying mitigation measures.⁷⁰ Further, NRDC claims that the Commission's reasoning "fails to satisfy

⁶⁵ NRDC Petition, p. 7.

⁶⁶ NRDC Petition, p. 4.

⁶⁷ NRDC Petition, p. 7 (citing LTP Order, p. 73).

⁶⁸ NRDC Petition, p. 15 (citing LTP Order, pp. 126-127).

⁶⁹ NRDC Petition, p. 15 (NRDC misquotes the Commission Order, stating that the Commission said National Grid "should seek capacity," which is incorrect. The Commission did not recommend that National Grid "should seek capacity" on NESE or direct National Grid to seek capacity on NESE.).

⁷⁰ NRDC Petition, p. 15.

CLCPA §7(2).”⁷¹ Similarly, NYCP contends that the Commission violated CLCPA §7(2) because it “compels the construction of the NESE project” without considering viable alternatives and GHG mitigation measures.⁷²

NRDC argues that the Commission Order violates CLCPA §7(3) because the Commission determined there was a need for NESE without adequately considering its impact on disadvantaged communities.⁷³ NRDC claims that the Commission only conducted a “ cursory analysis of §7(3)” that did not “meaningfully evaluate distributional impacts or how long-term gas investments burden disadvantaged communities.”⁷⁴

Alleged Failure to Consider Passage of the 100-Foot Rule Bill

NYCP states that, in the July 18, 2025, motion to strike, it and the other movants stated the Commission should evaluate the impacts of the passage of the 100-Foot Rule Bill.⁷⁵ NYCP argues that the bill, if enacted, would have significant impact on applications for new firm gas service, and thus warrants due consideration. NYCP’s October Petition also suggests that the 100-Foot Rule Bill is “not any more speculative than NESE,” comparing the likelihood that the Governor may sign the bill to the likelihood that the Department of Environmental Conservation (DEC) would approve the permit applications for NESE.⁷⁶

⁷¹ NRDC Petition, p. 15.

⁷² NYCP Petition, pp. 17-18.

⁷³ NRDC Petition, pp. 15-16.

⁷⁴ NRDC Petition, p. 16.

⁷⁵ NYCP Petition, p. 12.

⁷⁶ NYCP Petition, p. 12. On November 7, 2025, DEC approved Transco’s water quality permit application for NESE. DEC, Section 401 Water Quality Certification, Permit ID # 2-9902-00109/00009 (effective November 7, 2025).

Responses to Petitions

On November 4, 2025, National Grid filed a response to the Petitions.⁷⁷ National Grid argues that NYCP and NRDC fail to identify any error of law, error of fact, or new circumstance warranting rehearing, and thus the Commission should deny the Petitions.

National Grid contends that NYCP and NRDC erred in their assertions that the design day forecast was the only consideration in determining the need for NESE, and that the design day forecast did not support the need for NESE. Additionally, National Grid states that the Commission rooted its findings in other bases, including reliability risks during conditions like Winter Storm Elliott, the duration and costs of restoring service after a gas outage, the downstate region's reliance on riskier supply options, additional benefits like pressure support and reduced reliance on Con Edison, and potential benefits to the electric system.⁷⁸

National Grid claims that the Petitioners downplay the evidence of NESE's benefits and mischaracterize the value of those benefits. National Grid states that NYCP wrongly compares the Con Edison gas system and the National Grid downstate gas system. National Grid states that its downstate system currently relies on gas flowing from Con Edison to meet peak winter demand, and that Con Edison secured new firm pipeline capacity and identified additional firm receipts to de-risk its supply stack.⁷⁹

⁷⁷ Case 24-G-0248, National Grid's Response to Petitions for Rehearing of NRDC and NYCP (filed November 4, 2025) (National Grid Response).

⁷⁸ National Grid Response, pp. 15-16.

⁷⁹ National Grid Response, pp. 6-7.

National Grid also responds to the Petitioners' claims that the NESE lateral only provides redundancy, not supply path diversity. The Company instead argues that the Commission found that Transco's access to multiple production basins enhance the diversity of sources, and that the NESE project and the Iroquois Expansion by Compression (ExC) project together ensure that the eastern and western portions of the National Grid downstate service territory have adequate supply.⁸⁰ National Grid also argues that the reliability benefit of additional line pack is to provide pressure support, not that line pack would carry the system through a multi-day event as NYCP claims.⁸¹ In addition, the Company disputes NYCP's claim that induced demand from NESE negates reliability benefits, arguing instead that a purpose of the LTP proceedings is to de-risk existing supply portfolios, and the concern about managing future capacity is addressed in the LTP Order's requirement that National Grid update its forecasting, electrification tracking, and NPA development.⁸²

National Grid disputes NRDC's claims that the Commission used the LTP proceeding to circumvent ratemaking or improperly influenced DEC's water quality certification proceeding. National Grid states that the LTP Order correctly stated that the NESE-related demand charges are subject to the annual audit of gas costs, in line with the Commission's standard practice to review utility supply expenses.⁸³ National Grid states that stakeholders can provide input in the FERC review of the reasonableness of NESE's costs, and that such

⁸⁰ National Grid Response, p. 7.

⁸¹ National Grid Response, pp. 7-8.

⁸² National Grid Response, p. 8. National Grid erroneously stated that NRDC presented this argument, however it was NYCP.

⁸³ National Grid Response, p. 13.

input is not available for contracts for peaking services.⁸⁴ Furthermore, National Grid argues that the Commission, in opining that NESE meets a reliability need for National Grid's downstate system, addressed its statutory duty to ensure that gas corporations provide safe, adequate, and reliable utility service, but that it did not approve or compel the construction of NESE as the Commission is not responsible for state or federal permits that Transco needs to construct and operate NESE. National Grid goes on to argue that, had the Commission declined to address whether NESE would meet a reliability need on the downstate gas system, such decision would have been an error of law and grounds for a rehearing request.

National Grid argues that Petitioners incorrectly argue that the LTP Order violated CLCPA §7(2). First, the Company states that the LTP Order does not compel the construction of NESE, and instead was limited to making the determinations necessary to effectuate the LTP processes.⁸⁵ Second, National Grid states that the Commission determined that the actions taken in the LTP Order were consistent with CLCPA §7(2). In particular, the LTP Order provided a framework for the Company to advance CLCPA goals while balancing the need to provide safe and adequate service.⁸⁶ Regarding NESE, the LTP Order's only actions were to require National Grid to conduct additional analysis and reporting.⁸⁷ Third, the Company argues that the LTP Order took steps focusing on system transition, compliant with CLCPA §7(2), for example directing the Company to pursue decarbonization planning, NPA development, updated

⁸⁴ National Grid Response, pp. 13-14.

⁸⁵ National Grid Response, p. 17.

⁸⁶ National Grid Response, p. 17.

⁸⁷ National Grid Response, p. 17.

forecasting methodologies, bill impact work, analysis of impacts on disadvantaged communities, and coordinated electrification planning.⁸⁸ National Grid argues that NYCP's and NRDC's assertions are ultimately disagreements with the Commission's implementation of CLCPA §7(2), balancing progress toward reducing GHG emissions with the need to ensure the safety and reliability of the gas system.

National Grid states that NYCP's arguments regarding hydrogen are not grounds for rehearing because the Commission did not approve the deployment of low-carbon fuels (LCF) like hydrogen and directed additional scrutiny and refinement regarding the uncertainties and costs of hydrogen.⁸⁹ Additionally, National Grid states that impacts of the 100-Foot Rule Bill, if enacted, are a valid topic for future consideration, but it does not provide a basis for rehearing of the LTP Order.⁹⁰ Further, National Grid states that the situation around NESE warranted its consideration in the recent iteration of its LTP.⁹¹ Finally, National Grid states that "[d]isagreements with the Commission's weighing of reliability and decarbonization at this stage are policy disputes, not legal errors."⁹²

On November 5, 2025, Sane Energy Project (Sane) filed a comment in support of the Petitions. Sane stated that the Commission's finding, that the NESE project is needed and appropriate, was premature and unsupported by the record. Sane reiterated Petitioners' claims that the 2025 demand forecast

⁸⁸ National Grid Response, p. 17.

⁸⁹ National Grid Response, p. 18.

⁹⁰ National Grid Response, p. 19.

⁹¹ National Grid Response, p. 19.

⁹² National Grid Response, p. 18.

shows no capacity shortfall, and that the Commission approved a long-term rate burden without sufficient modelling or an evidentiary hearing, in violation of the CLCPA and the PSL's "due process requirements."⁹³

On November 6, 2025, Sane filed a letter signed by nineteen elected officials⁹⁴ in which those officials express their concern regarding the LTP Order.⁹⁵ This letter urges the Commission to grant the Petitions, stating the LTP Order was issued eight days after the public comment period closed, and failed to assess the need for the NESE project and its costs. The letter stated that NESE would cost ratepayers more than \$200 million in increased energy bills every year for 15 years, and that this figure could be over \$3 billion in total. The letter claims that the Commission's decision was based on the 2024 demand forecast, instead of the more accurate 2025 demand forecast; that the LTP Order did not provide factual or analytical justification for the need for supply from NESE; that the Commission failed to consider less-polluting, lower-cost alternatives; that the LTP Order was an "approval" which effectively authorized a rate increase without proper review; that NESE does not offer supply diversity compared to supply basins available during Winter Storm Elliott; that National

⁹³ Case 24-G-0248, Sane Letter in Support for Rehearing (filed November 5, 2025).

⁹⁴ Elected signatories include New York State (NYS) Senator Liz Krueger (Senate District 28), NYS Senator Julia Salazar (Senate District 18), NYS Assemblymember Phara Souffrant Forrest (Assembly District 57), NYS Assemblymember Emily Gallagher (Assembly District 50), and Brooklyn Borough President Antonio Reynoso; additional signatories include fifteen elected officials representing various counties, cities, and towns throughout the State.

⁹⁵ Case 24-G-0248, Letter from Elected Officials in Support of the Petitions for Rehearing (filed November 6, 2025).

Grid's GHG reduction projections are inaccurate; and that the LTP Order is inconsistent with CLCPA §7(2). The letter also states that NESE would increase reliance on gas, which is a system "prone to price volatility, infrastructure vulnerability, and high emissions."⁹⁶ Last, the letter claims that "[n]either Con Edison, National Grid, nor the Commission had previously identified a 400,000 dekatherm per day shortfall" for the downstate natural gas system.⁹⁷

Lastly, on November 6, 2025, Sane filed an article by the Institute for Energy Economics and Financial Analysis (IEEFA) titled "NY's Utility Regulator Got It Wrong on the NESE Pipeline" (IEEFA Article).⁹⁸ The IEEFA article contended that the solutions to the issues posed by Winter Storm Elliott are to weatherize the gas extraction and supply system and expand electrification and weatherization, not to build another pipeline. The IEEFA article also expressed the author's view that the LTP Order had "inadequate analysis" of costs and gas forecasts.

In addition to these filed responses to the Petitions for Rehearing, the Commission has received 270 public comments after NYCP and NRDC filed the Petitions. All such comments were in support of the Commission granting the Petitions for Rehearing and modifying the LTP Order. Almost all were "form comments" presenting the same arguments. The comments state that the LTP Order: did not justify the reliability need for an additional 400,000 dekatherms of supply; improperly approved a

⁹⁶ Case 24-G-0248, Letter from Elected Officials in Support of the Petitions for Rehearing (filed November 6, 2025), p. 2.

⁹⁷ Case 24-G-0248, Letter from Elected Officials in Support of the Petitions for Rehearing (filed November 6, 2025), p. 1.

⁹⁸ Case 24-G-0248, NY's Utility Regulator Got It Wrong on the NESE Pipeline (filed November 6, 2025).

de facto rate hike; incorrectly asserted that NESE provides reliability benefits because it draws from the same supply basin and because the added supply will create new demand, offsetting any supply benefits; and violated CLCPA §7(2). The comments also state that National Grid's GHG emissions reduction projections were incorrect. Additional comments state that the pipeline is not needed because the CLCPA and Local Law 97 mandate reduced fossil fuel use, which will result in less demand than the Company predicts.

DISCUSSION

PSL §22 provides for an opportunity for a rehearing. Pursuant to Title 16, Section 3.7(b) of the New York Codes, Rules and Regulations (NYCRR), a rehearing may only be sought "on the grounds that the Commission committed an error of law or fact or that new circumstances warrant a different determination." A petitioner seeking rehearing bears the burden of establishing that the Commission committed an error of law or fact or that new circumstances warrant a different determination. Further, the petitioner must separately identify and explain each alleged error or new circumstance purporting to warrant rehearing. Sixteen NYCRR §3.7. We conclude that Petitioners failed to satisfy the criteria for rehearing.

Petitioners claim that the Commission committed errors of fact, alleging that the Commission improperly found that NESE is needed to improve reliability; errors of law, alleging that the Commission approved a major rate increase without holding a hearing as required by PSL §66(12),⁹⁹ and that the LTP Order does not comply with CLCPA §7(2) or (3). NYCP also alleged that the

⁹⁹ NRDC Petition, pp. 3-4.

Commission failed to consider the Legislature's passage of the 100-Foot Rule Bill.

The Commission denies the Petitions for Rehearing. First, the record supported the Commission's findings regarding the need for the additional capacity that NESE would provide. Second, in issuing the LTP Order, the Commission explicitly stated it was not approving cost recovery for NESE or approving NESE or any other project. Third, the LTP Order provided sufficient analysis to satisfy the statutory requirements under CLCPA §7(2) and (3). Fourth, the record demonstrated a need for additional capacity as would be provided by NESE regardless of whether the 100-Foot Rule Bill is enacted given the reliability needs of National Grid's downstate system at present without regard for additional customers who may or may not connect to it.

The LTP Order does not contain any errors of fact and its findings are supported by the record.

1. The reliability needs of National Grid's downstate system are well documented in the record in the National Grid LTP Proceeding and previous Commission Proceedings.

The Commission relied on a well-developed record to support its acknowledgement that the downstate natural gas system needs a more reliable source of gas supply that NESE can provide.¹⁰⁰ This record stretches back several years. In 2019, National Grid declared a moratorium on new customer additions after the denial of the permits for the NESE project, which triggered an investigation by the Commission.¹⁰¹ On October 11,

¹⁰⁰ LTP Order, p. 3.

¹⁰¹ Case 19-G-0678, Proceeding on Motion of the Commission to Investigate Denials of Service Requests by National Grid USA, The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid, Order Instituting Proceeding and to Show Cause (issued October 11, 2019).

2019, the Commission issued an Order Instituting Proceeding and to Show Cause, which led to a settlement being filed on November 24, 2019.¹⁰² The Settlement Order required that National Grid lift the moratorium, attempt to develop a long-term supply solution, provide an action plan for providing new and expanded gas service through September 1, 2021, provide a long-term capacity report analyzing reasonable available options, provide monetary relief to customers denied service, and be subject to the oversight of an independent monitor.¹⁰³

To address its supply issues, National Grid submitted a list of available capacity options on February 24, 2020.¹⁰⁴ The list included a range of supply side options and various demand response options, each of which National Grid evaluated for cost, as well as issues including emissions and community impact, and permitting, policy, and regulatory requirements.

National Grid developed a set of measures intended to meet or offset forecasted increasing demand, including a portfolio of compressed natural gas (CNG) facilities, replacement of two vaporizers at the Greenpoint Liquefied Natural Gas Facility, and enhanced demand response and energy efficiency programs. National Grid created an operational plan summary, which was updated in June 2020 and again in October 2020.¹⁰⁵ The June 30, 2021 Long-Term Capacity Second

¹⁰² Case 19-G-0678, supra, Order Adopting and Approving Settlement (issued November 26, 2019) (Settlement Order).

¹⁰³ Settlement Order, pp. 4-6.

¹⁰⁴ Case 19-G-0678, supra, Natural Gas Long-Term Capacity Report (filed February 24, 2020).

¹⁰⁵ Case 19-G-0678, supra, Downstate New York Future Winter Construction and Operations Plan - Summary Document Update (filed June 23, 2020) and Downstate New York Future Winter Construction and Operations Plan - Summary Document Update (filed October 30, 2020).

Supplemental Report also identified the Iroquois ExC pipeline project as an option that would increase capacity and supply into National Grid's downstate system.¹⁰⁶ In its August 25, 2021 Third Supplemental Report, National Grid identified the Distributed Infrastructure Solution, which included these elements:

(1) incremental demand side management ("DSM") programs comprising an aggressive set of incremental Energy Efficiency ("EE") programs over and above the growth in demand reduction required by New Efficiency: New York ("NE:NY") as well as new gas Demand Response ("DR") programs; (2) the Liquefied Natural Gas ("LNG") Vaporization Option ("LNG Vaporization Project"), which adds two LNG vaporizers at National Grid's Greenpoint Facility; (3) the Iroquois Gas Transmission System ("IGTS") Enhancement by Compression option ("ExC Project"), which adds compression capability at existing locations to increase capacity on the Iroquois Gas Transmission System; and (4) incremental portable Compressed Natural Gas ("CNG") capacity.¹⁰⁷

Following this report, the independent monitor filed its closing report on September 14, 2021, stating that "[a]lthough serious challenges and risks remain in implementing plans that will provide supply capacity in excess of forecasted demand in upcoming years, National Grid has successfully addressed potential shortfalls of supply over the last two winters."¹⁰⁸ The monitor continued that the "alarming possibility nonetheless remains that National Grid's plans and projects underway toward meeting forecasted demand with

¹⁰⁶ Case 19-G-0678, supra, Natural Gas Long-Term Capacity - Second Supplemental Report (filed June 30, 2021), p. 5.

¹⁰⁷ Case 19-G-0678, supra, Natural Gas Long-Term Capacity - Third Supplemental Report (filed August 25, 2021), p. iv.

¹⁰⁸ Case 19-G-0678, supra, Independent Monitor Closing Report (filed September 14, 2021), p. 1.

sufficient supply capacity will fall short.”¹⁰⁹ These comments highlighted the risk faced by the downstate natural gas system because of the uncertainty associated with obtaining required permits from governmental entities and inadequate customer participation in demand-side management efforts.

2. The LTP Order demonstrated the reliability need for NESE.

With this background, the LTP Order echoed the risks inherent in National Grid’s current capacity portfolio, which demonstrate that a reliability need exists. These risks include the potential trucking of CNG during periods of severe winter weather and the possibility that vendors of third party delivered peaking services would not continue to provide service to National Grid. The LTP Order also discussed the fact that NESE would allow National Grid to reduce its reliance on these riskier capacity assets.

NRDC incorrectly claims that the LTP Order’s statement that NESE was needed is inconsistent with reliance on National Grid’s 2025 Demand Forecast and is an error of fact.¹¹⁰ NRDC argues that the 2025 Demand Forecast shows that National Grid has sufficient gas supply without NESE, and the LTP Order’s statement that NESE is needed contradicts this forecast.¹¹¹ Further, NRDC claims that Winter Storm Elliott does not establish need because the downstate natural gas system was sustained by existing resources during that storm.¹¹² NRDC also claims that the Commission is attempting to curtail the existing resources, CNG and peaking service contracts, that sustained

¹⁰⁹ Case 19-G-0678, supra, Independent Monitor Closing Report (filed September 14, 2021), p. 1.

¹¹⁰ NRDC Petition, p. 10.

¹¹¹ NRDC Petition, p. 10.

¹¹² NRDC Petition, p. 11.

service during Winter Storm Elliott.¹¹³ Finally, NRDC contends that the Commission erred because it did not rely on hydraulic analysis to support NESE's purported reliability benefits.¹¹⁴

NRDC claims that the Commission drew the wrong conclusions from Winter Storm Elliott. NRDC argues that the main risk from Winter Storm Elliott was production shortfalls, which demonstrates that the Commission's statement that NESE is needed for reliability is wrong.¹¹⁵ Similarly, NYCP incorrectly claims that the LTP Order's statement that NESE would provide the downstate natural gas system with a more reliable source of supply has no factual or analytical basis and amounts to an error of fact.¹¹⁶

Further, NRDC incorrectly contends that that record is incomplete. NRDC asserts that "the [LTP] Order's own directives" confirm this.¹¹⁷ However, the record in this proceeding and in prior Commission proceedings provides extensive support for the Commission's analysis of the reliability needs of National Grid's downstate system and the benefits NESE will provide in the LTP Order. The directives NRDC points to were not and are not necessary for the analysis set forth in the LTP Order, but will help the Commission, Staff, and stakeholders in future proceedings.

NRDC incorrectly asserts that the LTP Order was inconsistent, arguing that the LTP Order relies on the 2025 demand forecast - which does not show a design day shortfall in the reference scenario until 2041/42 - but still concludes that

¹¹³ NRDC Petition, p. 12.

¹¹⁴ NRDC Petition, p. 12.

¹¹⁵ NRDC Petition, pp. 12-13.

¹¹⁶ NYCP Petition, p. 4.

¹¹⁷ NRDC Petition, p. 14.

NESE is needed. The Commission emphasized in the LTP Order that NESE provided reliability benefits for the existing natural gas demand in the downstate National Grid service territories. The Commission pointed out that "almost four years since the Independent Monitor's final report, we see that, despite National Grid advancing several supply-side and demand-side options for alleviating anticipated concerns, these solutions have yet to provide the reliability benefits for gas customers in the Downstate service territories that would have been provided by the Northeast Enhancement Supply Project."¹¹⁸ These points demonstrate that a reliability need exists in the downstate natural gas system.

In the LTP Order, the Commission also highlighted the risks associated with relying on CNG. The Commission pointed out that CNG must be trucked over a long distance from sources outside New York City and New York State over bridges and through tunnels leading into New York City.¹¹⁹ Further, severe weather could impact deliveries of CNG. Because of restrictions associated with those routes, including, but not limited to the fact that bridges and highways close for truck traffic under windy and icy conditions.¹²⁰ The Commission continued that National Grid must also request CNG ahead of time, with some CNG vendors requiring two hours' notice and others requiring up to 48 hours' notice to allow for preparing assets, bringing in truck drivers, and accounting for the travel time it takes to

¹¹⁸ LTP Order, p. 61.

¹¹⁹ LTP Order, p. 69.

¹²⁰ See The Port Authority of New York and New Jersey, Traffic Rules and Regulations (September 2016), p. 21 ("During extreme weather conditions vehicles which are subject to overturning, skidding or excessive swaying ... may be restricted or barred from the vehicular crossings.").

reach the CNG injection sites.¹²¹ These issues highlight the risk associated with CNG that would be avoided with a pipeline project.

The Commission pointed out in the LTP Order that the National Grid gas system was at risk of curtailing service to firm customers during Winter Storm Elliott. The Commission discussed the contingency plans deployed by both Con Edison and National Grid which entailed calling on available gas supply from other pipelines, running LNG plants, and taking the extraordinary step of coordinating a public appeal for the reduced use of natural gas. The Commission noted that had the supply reductions continued, National Grid and Con Edison's final available action would have been to curtail - meaning shut off - firm customers.¹²²

The LTP Order also explained how firm pipeline capacity is more reliable than relying on peaking service contracts. NESE Pipeline capacity is inherently less risky than reliance on CNG or delivered peaking services.¹²³ Delivered services rely on a third party and may not be available in the future if the vendor finds a more lucrative counter party. However, the firm capacity on pipelines, such as NESE, is controlled by the utility for the lifetime of its contract for that capacity, unlike delivered peaking services. Additionally, PA noted the reliability of firm pipeline capacity, stating that firm pipeline projects "obviate the re-contracting and expense risks that come with ... delivered services and the operational risks that are paired with CNG."¹²⁴ Furthermore, with regard to

¹²¹ LTP Order, p. 69.

¹²² LTP Order, p. 62.

¹²³ LTP Order, p. 41.

¹²⁴ LTP Order, p. 40.

NYCP's contention that "[t]here is no analytical justification of a reliability need for precisely 400,000 Dt/day of additional supply capacity, even if the alleged reliability need exists,"¹²⁵ it is beside the point. Because of the long lead time, complexity, and cost, interstate pipeline projects may not be tailored to a precisely calculated need at a given point in time. FERC requires that a pipeline operator demonstrate the need for the project before FERC grants approval, which it has historically confirmed by ensuring that downstream entities have contracted with the interstate pipeline operator for the full capacity of a proposed project.¹²⁶ Accordingly, the facts demonstrate that National Grid had a reliability need which is met by the NESE project and no other project that provides the same amount of reliability enhancement and reasonable cost has been proposed.

In addition to the reliability benefits for National Grid's gas customers, the Commission noted that National Grid provided a study performed by Levitan and Associates which identified the benefits NESE can provide for the electric system in New York State, both in terms of improved reliability and through reduced wholesale costs.¹²⁷ These benefits are incremental to the enhanced reliability to the gas system provided by NESE, which alone demonstrate a need for NESE.

Petitioners' attempted portrayal of the impacts from Winter Storm Elliott being limited to production declines oversimplifies and misinterprets what occurred. The inquiry into the bulk-power system operations during Winter Storm

¹²⁵ NYCP Petition, p. 18.

¹²⁶ FERC Docket No. CP17-101-007 et al., Northeast Supply Enhancement Project, Order Issuing Certificate, (issued August 28, 2025), pp. 23-24.

¹²⁷ LTP Order, p. 75.

Elliott, produced by FERC and the North American Electric Reliability Corp (NERC), states that "broad language in force majeure clauses disincentivizes natural gas infrastructure entities from taking steps to ensure that natural gas will be available when it is most needed, during an extreme cold weather event."¹²⁸ Additionally, the FERC/NERC report noted that "demand increased to a level where some customers began taking more gas than what they supplied and/or confirmed through nominations, which contributed to low pipeline pressures."¹²⁹ While there were disruptions in natural gas supplies, those disruptions were not the only problems observed during Winter Storm Elliott. The ability of National Grid to access storage facilities located along the Transco system improves National Grid's system reliability. National Grid holds contracts for daily deliverability from storage facilities in the northeastern United States along the Transco pipeline exceeding 230,000 Dt/day and an additional contract for storage in the Gulf of Mexico region of over 78,000 Dt/day. These storage facilities allow National Grid to replace any volumes lost to well freeze-offs, and when complemented by Transco's no-notice service, would provide enhanced reliability with the NESE project in place.

3. Petitioners incorrectly downplay the reliability benefits NESE would provide.

NYCP mistakenly claims that the fact that Con Edison did not discuss risks to its system from Winter Storm Elliott means that there is no real danger to National Grid's system

¹²⁸ Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliott, FERC, NERC and Regional Entity Staff Report (October 2023) (FERC/NERC Report), p. 121.

¹²⁹ FERC/NERC Report, p. 77.

from a Winter Storm Elliott-type event.¹³⁰ The risks to Con Edison's natural gas system from Winter Storm Elliott were well documented in the report released by FERC and NERC, which stated that Con Edison faced reliability-threatening low pressures at its citygate on all the interstate natural gas pipelines that it relies upon.¹³¹ Con Edison and National Grid are served by the same pipelines in the metropolitan New York City area. In addition, Con Edison has secured additional pipeline capacity on the ExC project and on the Tennessee East 300 project, which demonstrates that Con Edison has similarly identified pipeline capacity as the most reliable method to maintain the reliability of its natural gas system.¹³²

National Grid has contracted for capacity on the ExC project, like Con Edison. The Tennessee East 300 project delivers gas in White Plains, meaning that any gas delivered there would have to travel across the Con Edison gas system to National Grid. The interconnections between Con Edison and National Grid are already constrained and reach their limit during cold weather. The Transco Pipeline, including the assets that will potentially make up the NESE project, is beneficial to New York City and Long Island and provides an increased level of service that National Grid would not otherwise have access to for its New York City and Long Island service territories. The Transco system provides no-notice storage and transportation services to shippers, as described in a presentation to the New

¹³⁰ NYCP Petition, p. 5.

¹³¹ FERC/NERC Report, p. 12.

¹³² Case 23-G-0147, In the Matter of a Review of the Long-Term Gas System Plans of Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc., Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions (issued September 20, 2024), p. 6.

York Independent System Operator.¹³³ Imbalances created by a shipper on the Transco system, such as taking additional gas to preserve the reliability of firm customers, can be resolved throughout the month, and must be resolved by the end of each month, and withdrawals from storage are used to maintain system balance. Only two other interstate pipelines directly connect to National Grid's downstate system, Iroquois and Texas Eastern. Iroquois does not offer no-notice service. Texas Eastern Pipeline connects to National Grid's system at Staten Island. Due to on-system limitations, the gas received from Texas Eastern on Staten Island is constrained from flowing in greater quantities to Brooklyn, Queens, or Long Island. According to a filing made by the Interstate Natural Gas Association of America, "[n]o-notice service is most often provided when a shipper's deliveries exceed its nominated quantities, with the additional volume provided from storage, line pack or some other source that cannot be linked with a specific point of receipt."¹³⁴ Because of this service provided by Transco, capacity on the Transco system has a significant advantage and makes capacity releases on Transco more attractive to potential recipients. Transco's system map shows interconnections with dozens of other pipelines that reach producers in the Gulf of Mexico production region, and because National Grid holds capacity all the way along the Transco long line it can access

¹³³ Williams, Transcontinental Gas Pipeline System - NYISO Presentation (March 5, 2012), https://www.nyiso.com/documents/20142/1404064/2012_NYISO_Transco_System_Overview.pdf/c4e92f3a-c1e3-de12-3545-74807c348d5e.

¹³⁴ Interstate Natural Gas Association of America, Request for Clarification on the Final Rule issued by FERC on December 1, 2008 addition to 18 C.F.R. §284.13(d)(1) (December 22, 2008), https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20081222-5093, p. 3.

these production regions.¹³⁵ The ability to draw on Transco's Gulf of Mexico storage facility, as well as the other production regions along Transco, ensures diversity of supply.

The LTP Order explained that NESE would provide National Grid with the benefit of line pack. Line pack is a term used to describe the amount of natural gas contained within a segment of pipeline at a given point in time and can be increased by increasing the pressure of the pipeline segment. In the FERC/NERC report on Winter Storm Elliott, it states that pipelines proactively managed and monitored line pack ahead of the storm and "[e]ach pipeline increased line pack in anticipation of high demand, supply loss, and potential equipment problems."¹³⁶ NYCP claims that the Commission erred by exaggerating the usefulness of line pack. Additionally, NYCP argues that the volume of gas in the 23 miles of NESE with a diameter of 26 inches, equaling a radius of 13 inches or 13/12 feet would be " $\pi(13/12)^2 \times 23 \times 5280 \cong 450,000$ cubic feet"; and that during an upstream supply disruption event like Winter Storm Elliott, a pressure drop of 300 pounds per square inch (psi) would remove 20 times this volume of gas from NESE's in-line storage, approximately 9,000,000 cubic feet or 9,000 Dt.¹³⁷ NYCP continues, stating that this is equivalent to one day's supply for about 1000 residential heating customers under the weather conditions of Winter Storm Elliott.

NYCP's calculations do not account for the fact that the gas in the pipe installed as part of the NESE project will be at pressures of approximately 1,000 pounds per square inch

¹³⁵ See map of the Transco system, available at <https://www.1line.williams.com/xhtml/MapPortal.jsf?parmMapID=0&parmZoneID=0>.

¹³⁶ FERC/NERC report, p. 40.

¹³⁷ NYCP Petition, p. 7.

gauge (psig), with the maximum allowable operating pressure of the pipe likely at 1,400 psig. As a result of this pressure, the 23 miles of pipe installed as part of NESE will hold approximately 44 million standard cubic feet or roughly 44,000 Dt. Considering that the accepted residential natural gas usage in New York for design day is approximately 1 Dt, the NESE line pack would be able to supply enough natural gas to heat about 44,000 homes during design day weather. Further, the weather experienced during Winter Storm Elliott was an average temperature of 15 degrees on December 24, 2022, significantly warmer than National Grid's design weather. As detailed in the LTP Order, National Grid was 30 minutes from shedding approximately 30,000 customers; assuming they were all single-family residential customers, NESE line pack would have provided more than enough natural gas to avoid curtailment of those customers.¹³⁸ Moreover, the benefit of the additional line pack itself, as explained in the LTP Order, is not that it could provide sufficient gas to maintain service indefinitely, or even for an entire day; rather, the line pack provides a cushion which extends the time available, even by minutes or hours, to restore the system from disruptions without having to curtail customers. During Winter Storm Elliot, National Grid was 30 minutes away from making curtailments. If events unfolded with even slight differences, any amount of additional line pack may have proved indispensable. In addition, Staff and PA reviewed hydraulic modeling with National Grid that showed system pressures under design day conditions both without NESE and assuming it is in service that showed the improvements that

¹³⁸ LTP Order, p. 63.

would result from the added capacity specifically in Brooklyn and Queens.¹³⁹

NYCP also incorrectly claims that the LTP Order contained an improper characterization of equiproportional curtailment. NYCP states that with the inclusion of the NESE project, "[i]t would still be the same total amount of gas that Transco would distribute on an equiproportional basis in the affected region. Adding a lateral would mean that all laterals in the affected region would see a larger but proportional curtailment."¹⁴⁰ NYCP's assumption is incorrect. NYCP assumes that every event like Winter Storm Elliott would start with the same exact amount of natural gas available to be curtailed. Because NESE adds additional pipe to the system, that pipe would be filled with gas before an event and therefore the amount of gas available to be curtailed would be higher than before NESE is constructed. Additionally, Transco's tariff says, "Buyer shall be entitled to its ratable share of the flowing gas deliverability from supplies contracted to Seller (including any storage deliverability available to Seller) based on Buyer's Daily Sales Entitlement."¹⁴¹ In other words, contrary NYCP's assertion, the amount that is curtailed is based on National Grid's contracted quantities and not on the amount that is available. If, for example, Transco had to curtail shipments by 25 percent, and given that NESE provides 400,000 Dt per day, National Grid would receive 300,000 more Dt per day with NESE than without it.

¹³⁹ LTP Order, pp. 70-71 (referring to one example regarding the hydraulic support NESE would provide to the distribution system in and around Jamaica, Queens.).

¹⁴⁰ NYCP Petition, p. 8.

¹⁴¹ FERC Gas Tariff, Transcontinental Gas Pipeline Company, LLC, Fifth Revised Volume No. 1, Part IV Section 13, p. 1.

NYCP incorrectly claims that the Commission committed an error of fact because the LTP Order failed to consider induced demand. NYCP asserts that additional firm pipeline supply from NESE will induce demand and relies on a study that examines road construction and traffic congestion.¹⁴² NYCP contends that traffic congestion is analogous to the issues related to gas capacity constraints. Although not explicitly stated, NYCP seems to argue that, just as increased road capacity reduces exogenous costs associated with travel time delays to consumers, resulting in an increased demand for travel, increased interstate pipeline capacity will reduce exogenous heating-related costs and increase gas demand. To support its assertion, NYCP references parts of the LTP Order that state NESE will support the additional gas demand of new customers.¹⁴³

NYCP's argument is unfounded. The portions of the LTP Order NYCP cites discuss a forecasted increase in demand independent of additional supply, and state that NESE's supply capacity will enable the Company to meet such forecasted increases in demand. Moreover, as already explained, the Commission's discussion of NESE in the LTP Order primarily focused on NESE's ability to address existing reliability needs on National Grid's downstate gas system. As discussed above and in the LTP Order, Winter Storm Elliot provided a vivid illustration of these reliability needs. Thus, the concept of induced demand is irrelevant to the LTP Order's discussion of current reliability needs and NESE's ability to meet those needs. Therefore, the Commission did not commit an error in the

¹⁴² NYCP Petition, p. 8 (citing Douglass Lee Jr., Lisa Klein, and Gregorio Camus, *Induced Traffic and Induced Demand*, 1659 J. Transp. Rsch. Bd. 68 (1999) (doi: 10.3141/1659-09)).

¹⁴³ NYCP Petition, p. 9 (citing LTP Order, pp. 22, 23, 25, 54).

LTP Order by not requiring an induced demand analysis for NESE separate from the scenario-based demand analyses already presented in this proceeding.

Even so, the Commission did consider some of the impacts of induced demand in the LTP Order. National Grid's analysis of the scenarios contained in its LTP include the demand-side impacts of price on future load growth. The benefit-cost analysis for each scenario contained in National Grid's LTP considered increases and changes to demand growth based on a variety of factors. The Company "[i]ntegrate[d] a range of economic projections, demographic variables, appliance efficiency assumptions, and energy price forecasts to produce a ten-year outlook of expected design day demand."¹⁴⁴ This type of analysis necessarily includes endogenous and exogenous factors that contribute to demand uncertainty, i.e., the analysis includes the effects of induced demand. While National Grid did not update these analyses in the Supplement in consideration of NESE alone, the analyses do account for some of the induced demand effects that NESE may cause. This aligns with the Commission's standard practice when conducting reliability planning: DPS staff reviews information on constraints at particular locations in the utility system as part of reviewing reliability planning, but also analyzes the ability of the system as a whole to meet expected demand with contracted supply. Due to the inclusion of the endogenous and exogenous demand effects in the scenarios, the Commission considered induced demand in the LTP Order, including the magnitude of potential induced demand effects that would be expected from a project such as NESE. Therefore, NYCP is incorrect in its

¹⁴⁴ Final LTP, p. 13.

assertion that the Commission did not account for the effects of induced demand when considering NESE.

4. The analysis in the LTP Order is correct based on the record before the Commission and reflects the Commission fulfilling its statutory duties.

NYCP mistakenly claims that the LTP Order increases exposure to an inherently risky system. NYCP alleges that the Commission misinterpreted the cause of gas outages to incorrectly support NESE, as NYCP states “almost all real-life gas outages are the result of factors unrelated to supply capacity,” and there is no evidence of an outage due to lack of supply.¹⁴⁵ Additionally, NYCP argues that the LTP Order “increases the statistical probability of outages and explosions in the future.”¹⁴⁶ Further, NYCP alleges that the Commission ignored the less expensive derisking strategies that, according to NYCP, Con Edison utilized in its LTP.¹⁴⁷ Continuing, NYCP argues that the Commission should focus on electrification and efficiency to limit the risks of the gas infrastructure.¹⁴⁸

The Commission must assess the current energy system in New York and ensure that all New Yorkers have access to safe and reliable energy service at just and reasonable rates.¹⁴⁹ As stated during the Session at which the Commission voted on the LTP Order, “the reason that we’re having to make a decision on whether there is a reliability need to begin with, and whether a pipeline could meet that need, is because this is the system

¹⁴⁵ NYCP Petition, p. 10.

¹⁴⁶ NYCP Petition, p. 10.

¹⁴⁷ NYCP Petition, p. 11.

¹⁴⁸ NYCP Petition, p. 11.

¹⁴⁹ PSL §65(1).

that we have inherited.”¹⁵⁰ Thus, while we as a State transition our energy system to reduce GHG emissions, we may still need to invest in today’s gas system. The Commission must ensure that natural gas service remains safe and reliable for all customers still using natural gas for the full term of the transition to a future with reduced GHG emissions, and NESE helps to accomplish that.

Regarding NYCP’s claims that the gas system is “inherently risky” and noting the risk of explosions, they are misplaced. The natural gas system in New York State is extremely safe. While the consequences of outages are significant, outages on the natural gas system are extremely rare and natural gas service has been very reliable. As NYCP acknowledges, the outages that have occurred have not, to date, been caused by a lack of supply or capacity. This is not happenstance, but the result of sustained efforts to address potential supply and capacity shortfalls before they cause outages. This is entirely consistent with the initial proposal of NESE in the 2010s, the efforts to ensure reliable service through alternatives to NESE over the last few years, and the recognition at this time, particularly in light of the experience with Winter Storm Elliott, that a system reliability need still exists that NESE would address. The record shows that NESE is a less risky source of supply compared to continuing to rely as heavily on supply options like trucked CNG and peaking services contracts as National Grid has done on its downstate system in recent years. With regard to safety, DPS Staff reported to the Commission at its June 2025 session that “the data indicates that performance has substantially improved

¹⁵⁰ 2025 September Commission Session Transcript (September 18, 2025), p. 81:14-18.

for LDCs across the State over the 22-year period Staff has been reporting performance to the Commission. It is important to note that the LDCs maintained focus on these performance measures, which ensured the same, if not a greater, level of public safety.”¹⁵¹

With regard to NYCP’s assertion that Con Edison relied on different strategies to reduce risk related to meeting design day demand, we note that, as discussed above, Con Edison contracted for the same amount of capacity on ExC as National Grid. Con Edison also secured capacity on the Tennessee East 300 project, which does not directly connect to National Grid facilities like NESE.

The Commission agrees with efforts to continue to advance the transition to an energy system that reduces GHG emissions. The LTP Order is consistent with that, noting National Grid’s robust demand response programs,¹⁵² the implementation of energy efficiency programs,¹⁵³ and directives intended to improve National Grid’s non-pipe alternative efforts.¹⁵⁴ The September session included a recognition of the need to “work harder and do better with non-pipe alternatives, with demand response, with gas efficiency, with electrification in the interest not just of achieving the goals of the CLCPA,

¹⁵¹ Case 25-G-0147, In the matter of Staff’s analysis of Local Distribution Company (LDC) performance related to the Pipeline Safety Measures, 2024 Pipeline Safety Performance Measures Report (filed June 12, 2025), p. 2.

¹⁵² LTP Order, pp. 98-99.

¹⁵³ LTP Order, pp. 101-102 (referring to Cases 25-M-0248 and 25-M-0249, 2026-2030 Energy Efficiency and Building Electrification Portfolios).

¹⁵⁴ LTP Order, p. 109.

but also customer benefits, affordability, and ... a more efficient and reliable gas system.”¹⁵⁵

However, the LTP Order recognizes that currently, demand response, energy efficiency, and electrification efforts (including NPAs) are not sufficient to address the reliability needs of the downstate natural gas system, or avoid continued increases in demand. New and existing customers continue to have the option of selecting gas service under state law. We currently cannot reduce or maintain current levels of firm gas supply while waiting for increased rates of electrification, as this will expose National Grid customers to the risk of curtailment in coming winters. The record shows that NESE provides a safe and reliable option to address the current reliability needs of National Grid’s downstate gas system.

5. The LTP Order’s findings regarding National Grid’s emissions impacts calculations were reasonable.

The Commission did not err in stating that National Grid used acceptable methods for calculating emissions impacts from its scenarios. As the Commission found and NYCP acknowledged, there were instances where National Grid could have improved its emissions estimates, but otherwise the Commission found the estimates to be acceptable.

NYCP asserted that National Grid did not accurately account for downstream fugitive emissions in the CEV scenario. Specifically, NYCP argues that downstream fugitive emissions are dependent on the size of the gas distribution system, and argues that National Grid’s model assumes that fugitive emissions are primarily dependent on the total gas consumed. In the CEV scenario, National Grid forecasts decreases in both usage and downstream fugitive emissions during the projected study period.

¹⁵⁵ 2025 September Commission Session Transcript (September 18, 2025), pp. 81:22-82:6.

In contrast, NYCP asserts that downstream fugitive emissions will remain steadier because the distribution system does not decrease in size in the CEV scenario. As a result, NYCP contends that the projected emissions reductions from reduced gas consumption is overstated.¹⁵⁶ NYCP further contends that the Commission erred in determining that the methods of accounting for GHG emissions were better suited for an ongoing matter being developed before the Commission in Case 22-M-0149, stating that such matter was "dormant."

Contrary to NYCP's assertion, the Commission evaluated the efficacy of the Company's emissions calculations, and made findings and directives based on the evidence presented that will improve emissions accounting in future proceedings. Furthermore, contrary to NYCP's assertion, National Grid accounted for the size of its downstate system in its modeling of fugitive emissions, and based its calculations that fugitive emissions would reduce in the CEV scenario on assumptions that leak-prone pipe in its distribution network would be removed.¹⁵⁷ The Commission found, and NYCP did not dispute, that National Grid's GHG emissions analysis was conducted in a manner consistent with New York DEC's and NYSERDA's current accounting framework.¹⁵⁸ This includes the assumptions regarding the rate of downstream fugitive emissions in relation to system-wide gas usage and distribution system size. Thus, issues regarding the best way to conduct emissions accounting remain under Case 22-M-

¹⁵⁶ NYCP Petition, pp. 15-16.

¹⁵⁷ Final LTP, pp. 217-218 ("Avoided emissions from methane leakage are obtained through leak prone pipe (LPP) retirement.").

¹⁵⁸ Final LTP, p. 157; see also NYSERDA, Fossil and Biogenic Fuel Greenhouse Gas Emission Factors, NYSERDA Report Number 22-23 (2022), p. 4.

0149, and the Commission will otherwise address reported emissions projections on a case-by-case basis.¹⁵⁹ In addition, the LTP Order directed National Grid to produce an optimization model focused on various decarbonization measures as part of its next LTP filing.¹⁶⁰ This model will enable the Commission to achieve its parallel duties to ensure gas system reliability pursuant to PSL §65(1) and to transform the energy system while reducing GHG emissions in compliance with the CLCPA. Furthermore, the Commission maintains that its recommended improvements to future long-term plans will enable National Grid to further reduce emissions.

NYCP also states that National Grid's reliance on hydrogen in its scenarios leads to incorrect emissions calculations. In the LTP Order, the Commission stated that it would consider hydrogen projects if and when the Company may propose them, but that it shares the concerns of stakeholders regarding the safety and cost of using hydrogen in place of or blended with natural gas for mass market customers.¹⁶¹ Given the uncertainty surrounding whether hydrogen will actually be used in place of natural gas by any customers, it would be premature to rely on calculations of emissions related to hydrogen usage.

It is clear that the Commission relied on an ample record that stretches back several years to support its findings and directives in the LTP Order. Accordingly, the Petitioners claims that that the Commission committed errors of fact are incorrect.

¹⁵⁹ See Case 22-M-0149, Proceeding on Motion of the Commission Assessing Implementation of and Compliance with the Requirements and Targets of the Climate Leadership and Community Protection Act; see also LTP Order, p. 123.

¹⁶⁰ LTP Order, p. 123.

¹⁶¹ LTP Order, p. 97.

The Commission did not approve or preapprove a rate increase.

NRDC erroneously claims that the Commission "granted preapproval" of a major change in rates without the evidentiary hearing required by PSL §66(12) in the LTP Order.¹⁶² NRDC notes the LTP Order's recitation of the estimated \$7.50/month, or 3.5 percent impact recovery of the Transco's capacity charges for NESE may have on customers' bills and then attempts to argue that this exceeds the nominal threshold of a "major change" set forth in PSL §66(12)(c).

First and foremost, the LTP Order did not approve, or preapprove any change in National Grid's rates or charges. As explicitly stated in the LTP Order "At this juncture, we are not authorizing cost recovery for either the NESE demand charges or the costs of the two identified on-system capital projects."¹⁶³ Such an action was an impossibility, because the final costs of NESE netted against any savings resulting from National Grid shedding riskier, more expensive supply options are not yet known. The LTP Order plainly states that FERC will set the rates that Transco may charge National Grid to recover the costs of constructing the NESE project,¹⁶⁴ but FERC has not yet done so. Moreover, The LTP Order notes that there are countervailing impacts, including additional supply assets that National Grid can shed if NESE is constructed, and incremental revenues National Grid can pursue from capacity releases and off-system sales related to the capacity it would have rights to resulting from NESE.¹⁶⁵ These would offset the capacity charges for NESE and mitigate the impact on customers. That is why the LTP Order

¹⁶² NRDC Petition, p. 3.

¹⁶³ LTP Order, p. 73.

¹⁶⁴ LTP Order, p. 72.

¹⁶⁵ LTP Order, p. 74.

requires National Grid to "carefully assess all potential savings it can provide to customers to mitigate future bill impacts to the greatest extent possible."¹⁶⁶ It is only once all impacts are assessed that National Grid could even propose a change in a rate or charge related to NESE. Thus, the LTP Order could not have and did not approve a change in any of National Grid's rates or charges.

Additionally, NRDC incorrectly assumes that the estimated bill impact of \$7.50/month or 3.5 percent means that such a change would exceed the nominal threshold for a "major change." PSL §66(12)(c) defines a major change as "an increase in the rates and charges which would increase aggregate revenues [of the utility company] more than the greater of three hundred thousand dollars or two and one-half percent." Thus, it is the impact of a proposed change on the utility's aggregate revenues, not on customers' bills that qualifies a change in a rate or charge as a "major change." As discussed above, once further assessments of all impacts of NESE are done, the net impact of a future proposed change in a rate or charge may not exceed two and one-half percent of KEDNY or KEDLI's aggregate revenues.

Moreover and as discussed in further detail below, the LTP Order correctly explained that any changes in the KEDNY or KEDLI commodity costs from the inclusion of NESE in the downstate supply portfolio would be recovered through the monthly cost of gas surcharge portion of customers' bills.¹⁶⁷ Such charges change monthly, are subject to annual and other review processes and are not required to undergo an evidentiary proceeding under PSL §66(12). Also discussed below, in the LTP Order, the Commission did not make any prudence finding

¹⁶⁶ LTP Order, p. 74.

¹⁶⁷ LTP Order, p. 72.

regarding NESE, did not approve National Grid entering a contract with Transco for capacity on NESE, and did not direct National Grid to enter into a supply contract with Transco. Instead, the Commission made the more limited finding that, based on the record and "the significant reliability benefits NESE would provide," it would be appropriate for National Grid to decide to proceed with it.¹⁶⁸ Finally, the LTP Order explicitly stated that the Commission did not approve the recovery of costs for two-on system infrastructure projects related to the NESE project, and that National Grid could propose cost recovery in a future base rate proceeding.¹⁶⁹ The LTP Order consistently made clear that the Commission's action therein "neither authorizes the Company to recover any costs in rates nor does it prejudice such future proceedings as may consider that issue."¹⁷⁰

1. Changes in commodity costs do not trigger the hearing requirement in PSL §66(12)(f) for a major change in rates.

If NESE is constructed and National Grid incurs capacity charges from Transco for its use, we understand that National Grid would propose to recover those costs from customers through its monthly cost of gas surcharge separate from its delivery charges. This is appropriate as the cost of capacity on the interstate pipeline system is treated as part of the cost of the gas itself, rather than a cost of National Grid's delivery of the gas. Commodity charges are pass-throughs, meaning National Grid passes through the cost of gas directly to customers, and does not profit from these charges.

¹⁶⁸ LTP Order, p. 74.

¹⁶⁹ LTP Order, p. 73.

¹⁷⁰ LTP Order, p. 73.

Utilities, including National Grid, are required to include gas adjustment clauses in their tariffs.

As recognized by the Court of Appeals and contrary to NRDC's assertions, changes in commodity charges, including any resulting should NESE be constructed and supply gas to the downstate system, do not trigger PSL §66(12)(f)'s hearing requirement for a major change, even if the impact of such change would exceed the nominal threshold for a "major change" set forth in PSL §66(12)(c). In discussing fuel adjustment clauses such as the monthly cost of gas surcharge, the Court of Appeals has explained that they "provide a method for the rapid adjustment of rates, thus enabling utilities to contend with unpredictable increases in volatile fuel prices and to avoid both the 11-month delay and the forecasting procedures inherent in New York's prospective rate-making process."¹⁷¹ These clauses allow utilities to automatically and rapidly adjust rates to recover actual fuel expenses incurred, preserving the financial integrity of the utilities.¹⁷² Gas adjustment charges such as National Grid's monthly cost of gas surcharge made pursuant to utility tariffs are tied to commodity costs. Therefore, as the costs to the utility for procuring commodity fluctuate, so too do the gas adjustment charges.

Instead of the 11-month major rate case process set forth in PSL §66(12)(f) and used to address proposed changes in delivery rates, the Commission has other mechanisms to investigate and address commodity costs to ensure they are just and reasonable. PSL §66(12)(k) provides the Commission with the power to "order the utility to refund, with interest" if the

¹⁷¹ Matter of Niagara Mohawk Power Corp. v. Public Serv. Commn. of State of N.Y., 69 N.Y.2d 365 (1987), p. 370.

¹⁷² Matter of Niagara Mohawk Power Corp. v. Public Serv. Commn. of State of N.Y., 69 N.Y.2d 365 (1987), p. 370.

Commission determines "that the whole or any part of any increased rate or charge imposed by a utility pursuant to any automatic adjustment, including but not limited to any fuel adjustment, was not just and reasonable, because of a lack of reasonable care on the part of the utility in providing gas or electric service"

In practice, and as described in the LTP Order, supply and capacity charges are reviewed in the annual audit of gas costs.¹⁷³ This process involves an annual filing by each gas utility in October showing a reconciliation of forecasted gas sales and commodity prices to actual gas sales and commodity prices, which is reviewed by Staff. Staff also reviews invoices received and paid by the gas utility for commodity and demand charges. Staff annually reports the results of its review at the Commission's December session, and utilities implement any refund or surcharge amounts necessary to make customers whole for over- or under-collections on January 1. In addition, pursuant to 16 NYCRR 720-6.4, the Commission has the power to "hold hearings upon its own motion, or upon the motion of any interested party upon good cause shown, as to the correctness and reasonableness of any increased rate or charge for fuel costs subject to a fuel adjustment clause." This voluntary power to hold hearings regarding fuel cost increases is the proper venue to investigate the reasonableness of increased fuel costs, and is separate from the standard ratemaking process.

That changes in commodity charges do not require a hearing even if the change would result in a change in a utility's revenue of over 2.5 percent or \$300,000 is consistent with longstanding implementation of the Public Service Law. Due to fluctuations in prices, the annualized impact of pass-through

¹⁷³ LTP Order, p. 73.

revenue from monthly changes to gas adjustment charges would regularly exceed 2.5 percent. For example, between November 1, 2024, and December 1, 2024, KEDNY's gas supply charge applied to customers in residential service classifications increased from 44.8 cents per therm to 57 cents per therm. Multiplying that increase to the annual sales of KEDNY in 2024 of roughly 1.67 billion therms would result in increased costs of about \$203 million or 9.21 percent increase in KEDNY's aggregate revenues in 2024 of approximately \$2.2 billion.¹⁷⁴ The gas adjustment clauses allow for such fluctuations in month-to-month revenue and timely recovery of commodity costs with alternative review processes precisely to avoid the need for a major rate proceeding with a hearing including its attendant 11-month process.

As NRDC acknowledges, the rates for gas supplied by NESE, as an interstate pipeline, "were negotiated by National Grid and set by FERC" pursuant to FERC regulations under the Natural Gas Act.¹⁷⁵ Any increase in commodity costs from the inclusion of NESE in National Grid's downstate supply will be recovered from customers through the monthly cost of gas surcharge. Accordingly, even if the LTP Order did approve a change in the monthly cost of gas surcharge related to NESE - and the LTP Order did not do so - such change would not require a hearing as alleged by NRDC.

¹⁷⁴ See KEDNY's tariff schedule, PSC No. 12, Statement of Monthly Cost of Gas and Adjustments, Nos. 315 (effective November 1, 2024, cancelled December 1, 2024) and 316 (effective December 1, 2024, cancelled January 1, 2025).

¹⁷⁵ NRDC Petition, p. 4.

2. The Commission did not make a prudence determination.

NRDC's argument that the Commission's Order is a "de facto prudence determination" is incorrect.¹⁷⁶ NRDC states that the Commission must find that a utility's actions were prudent when the Commission determines whether a utility can recover costs. NRDC argues that the Commission's statement that NESE would meet a reliability need and that pursuing NESE would be appropriate constitutes a de facto prudence determination with "major rate impacts" without an evidentiary hearing.¹⁷⁷

As explained below, the Commission did not make a prudence decision or authorize National Grid to recover costs associated with NESE from customers in the LTP Order. As an initial matter though, even if the LTP Order did make such a finding of prudence, NRDC argues it would be an error of law only because it should satisfy PSL §66(12)(f)'s hearing requirement for a major change in rates. As discussed in the previous section, the hearing requirement of PSL §66(12)(f) would not apply to a change in National Grid's gas adjustment charge associated with NESE. NRDC points to no other legal requirement that would preclude the Commission from finding that a utility's action was prudent in an order following a notice and comment proceeding such as the LTP Order. Thus, assuming arguendo, that the Commission did make a prudence finding regarding NESE in the LTP Order, NRDC has failed to demonstrate that would be an error of law.

A utility's decision is prudent if the utility acted reasonably based on the information and circumstances

¹⁷⁶ NRDC Petition, p. 4.

¹⁷⁷ NRDC Petition, pp. 5-6.

available.¹⁷⁸ Further, the utility's decision may be prudent even though a different decision would have been more beneficial to either the utility or its ratepayers.¹⁷⁹

Importantly, the Commission did not make a prudence determination concerning NESE. As explained above, the LTP Order stated:

Based on the current state of the record in this proceeding, we conclude it is appropriate for National Grid to seek capacity on NESE. However, as noted above, this Order does not prejudge questions of cost recovery, which can be addressed in the appropriate future proceedings.¹⁸⁰

In doing so, the Commission necessarily acknowledges the facts and circumstances National Grid presented in this proceeding regarding NESE; however, the LTP Order did not conduct a prudence review and made no final prudence judgment. Rather, the LTP Order merely observed that reflecting information in the record it would be appropriate for National Grid to "seek capacity" on NESE. The LTP Order further noted that "the NESE project has yet to receive all necessary permits or begin construction."¹⁸¹ Indeed, National Grid's Response acknowledged that the LTP Order "establishes [the Commission's] expectation for National Grid to review the NESE Project's actual costs and exercise appropriate [oversight]¹⁸² thereover, obligations

¹⁷⁸ National Fuel Gas Distribution Corp. v. Public Service Commission, 16 N.Y. 3d (2011) 360, 368-369.

¹⁷⁹ National Fuel Gas Distribution Corp. v. Public Service Commission, 16 N.Y. 3d (2011) 360, 368-369.

¹⁸⁰ LTP Order, p. 83.

¹⁸¹ LTP Order, p. 83.

¹⁸² As written, National Grid's response states "exercise appropriate exercise thereover, ..." The second "exercise" is an obvious typo and, from National Grid's citation for this sentence, to page 80 of the LTP Order, it is clear that "oversight" is the appropriate word.

National Grid will meet on behalf of its customers.”¹⁸³ Thus, if and when questions of cost recovery are before the Commission at a future time and in a future proceeding, we will be able to assess whether National Grid’s decisions leading to such costs were prudent.

3. The Commission did not approve any National Grid infrastructure investments in the LTP Order.

National Grid states in the Supplement that, to maximize NESE capacity, the Company needs to construct two infrastructure projects, the Marine Park regulator station and additional flow control at the Lake Success metering facility.¹⁸⁴ In the LTP Order, the discussion of these projects was “merely for awareness,” and “[i]f National Grid wishes to pursue cost recovery for those projects, it would need to present information about the projects and propose cost recovery in the context of a future rate proceeding.”¹⁸⁵ The LTP Order “neither authorize[d] the Company to recover any costs in rates nor [did] it prejudice such future proceedings as may consider that issue.”¹⁸⁶ This decision is consistent with previous Commission orders regarding long-term plans.¹⁸⁷ This discussion in the LTP Order only identified the projects and their costs to provide context but did not make any findings regarding National Grid’s need for the projects. Thus, if it does pursue these on-system projects and seek cost recovery for these projects, National

¹⁸³ National Grid Response, p. 14 (citing LTP Order, p. 80).

¹⁸⁴ Supplement, p. 36.

¹⁸⁵ LTP Order, p. 73.

¹⁸⁶ LTP Order, p. 73.

¹⁸⁷ Case 23-G-0147, supra, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions, (issued September 20, 2024), pp. 6 and 45 (discussing the Iroquois ExC project).

Grid would need to demonstrate that the projects are truly needed and that the costs are reasonable.

The Order is consistent with the requirements of CLCPA §7(2) and (3).

NRDC and NYCP make various claims that the Commission did not comply with the requirements of CLCPA §7(2) and (3) in adopting the LTP Order. However, as explained below, these claims are incorrect and the Commission's action in the LTP Order complies with the requirements of CLCPA §7(2) and (3).

1. CLCPA §7(2)

CLCPA §7(2) requires all State agencies to take into consideration whether certain specified final agency actions are inconsistent with or will interfere with the attainment of the statewide GHG emission limits established by DEC under Environmental Conservation Law (ECL) Article 75. Additionally, Section 7(2) states that if a decision is deemed to be inconsistent with or interferes with the attainment of the statewide GHG emissions limits, the action agency (or office, authority, or division) must provide a detailed statement of justification as to why such limits may not be met and identify alternatives or GHG mitigation measures to be required where such project is located.

NYCP's contention that the Commission did not comply with CLCPA §7(2) is flawed for three reasons. First, NYCP ignores the plain language of the LTP Order to contend that the Commission "compels the construction of the NESE project."¹⁸⁸ Second, NYCP incorrectly claims that the press release concerning the LTP Order demonstrates that the Commission made a final agency decision regarding NESE in the LTP Order.¹⁸⁹ Third,

¹⁸⁸ NYCP Petition, p. 17.

¹⁸⁹ NYCP Petition, p. 17.

NYCP incorrectly ascribes to the Commission the authority to compel the construction of NESE even though the Commission has no such authority.¹⁹⁰

Similarly, NRDC incorrectly claims that the LTP Order's treatment of the CLCPA is procedurally and substantively flawed.¹⁹¹ First, NRDC mistakenly claims that the LTP Order approved the NESE project. NRDC alleges that the LTP Order's statements that NESE would improve the reliability of the downstate natural gas system, and that it is appropriate for National Grid to seek capacity on NESE, amount to a final agency action approving the NESE project.¹⁹² Further, NRDC alleges that the LTP Order did not provide analysis to support the LTP Order's claim that it was not inconsistent with the CLCPA.¹⁹³ Second, NRDC argues that the Commission failed to provide a detailed justification and identification of mitigation measures with the purported approval of NESE.¹⁹⁴ NRDC goes on to argue that the Commission approved NESE "without a quantitative GHG assessment or analysis of alternatives."¹⁹⁵

The Commission did not take final agency action to approve any project in National Grid's LTP. The Commission was explicit on this point as it relates to NESE by stating that "it does not approve, direct, or compel the construction of the NESE project."¹⁹⁶ That the press release referred to the LTP Order as a decision does not change this, as the press release referred

¹⁹⁰ NYCP Petition, p. 18.

¹⁹¹ NRDC Petition, p. 15.

¹⁹² NRDC Petition, p. 15.

¹⁹³ NRDC Petition, p. 15.

¹⁹⁴ NRDC Petition, 15.

¹⁹⁵ NRDC Petition, 15.

¹⁹⁶ LTP Order, p. 127.

to the LTP Order in its entirety as a "decision." That is accurate as the LTP Order did direct National Grid to take certain actions, even though the LTP Order did not take any final agency action regarding NESE. In any event, a press release regarding the LTP Order is not itself part of the order and has no legal effect. The Commission does not have the authority to direct the construction of an interstate natural gas pipeline project. Only FERC has the authority to approve the siting and certification of an interstate pipeline project.¹⁹⁷

Under Federal Law, FERC has the power to approve the siting, certification, extension, or abandonment of an interstate natural gas pipeline.¹⁹⁸ The Commission's statement that NESE would improve the reliability of the downstate natural gas system was appropriately limited given the context of the National Grid LTP proceeding. The LTP proceedings are intended to represent an improved planning process that would enable gas utilities to meet current and future customer needs.¹⁹⁹ The Commission's statement regarding NESE fits within the parameters of assessing current and future customer needs.

Each state has a prescribed role to issue a Water Quality Certification if the proposed interstate pipeline may result in a discharge into navigable waters.²⁰⁰ While individual states do have the authority to approve the requisite Water Quality Certification, which may be necessary, the Commission does not have jurisdiction over the approval of such certifications for New York State. In New York, DEC has sole

¹⁹⁷ 15 U.S.C.A. §717f.

¹⁹⁸ 15 U.S.C.A. §717f.

¹⁹⁹ Planning Order, p. 4.

²⁰⁰ 33 U.S.C.A. §1341(a) (1).

jurisdiction over the issuance of the Water Quality Certification, in addition to New York State Excavation and Fill permits.²⁰¹

DEC exercised this jurisdiction and approved the Water Quality Certification for NESE on November 7, 2025.²⁰² Further, DEC issued a State Pollution Discharge Elimination System (SPDES) permit and an Excavation and Fill permit for NESE.²⁰³ While DEC acknowledged that the interstate transportation of natural gas is subject to the exclusive jurisdiction of FERC, DEC stated it was required to and did conduct the necessary analysis under the CLCPA as part of its determination to issue these environmental permits.²⁰⁴

Pursuant to CLCPA §7(2), DEC considered whether the issuance of these environmental permits was inconsistent with or would interfere with the attainment of New York's GHG emission limits. Also, DEC considered whether there were any potential alternatives to NESE or GHG mitigation measures. While DEC found that NESE was inconsistent with the State's GHG emission limits, DEC relied on an acceptable basis - the safety and reliability of the energy system - to determine that NESE is

²⁰¹ 6 NYCRR §621.1(d); ECL §§15-0501 et seq. (Excavation and Fill in Navigable Waters).

²⁰² DEC, Section 401 Water Quality Certification, Permit ID # 2-9902-00109/00009 (effective November 7, 2025).

²⁰³ DEC, SPDES Discharge Permit, SPDES Number NY0296457, (effective December 1, 2025); DEC, Excavation and Fill in Navigable Waters Permit, Permit ID # 2-9902-00109/00007 (effective November 7, 2025).

²⁰⁴ DEC, Northeast Supply Enhancement Project - Justification Statement for Inconsistency with Section 7(2) of the CLCPA, p. 2.

justified based on the need for the project.²⁰⁵ DEC also considered alternatives to NESE and GHG mitigation measures as required by CLCPA §7(2).²⁰⁶

The LTP Order explained that National Grid has tried different alternatives to NESE, and these alternatives do not provide the same level of reliability. More specifically, the Commission explained that downstate natural gas system has supply constraints that raise reliability concerns.²⁰⁷ Further, the Independent Monitor's report found that National Grid still faced the risk of a supply shortfall despite the alternatives it pursued.²⁰⁸ Additionally, the Commission stated that these alternatives "have yet to provide the reliability benefits for gas customers in the Downstate service territories that would have been provided by the Northeast Enhancement Supply Project."²⁰⁹ Although NYCP claims that the Con Edison LTP demonstrates that there are viable alternatives to NESE that will ensure reliability for National Grid,²¹⁰ this comparison is inaccurate. The Con Edison and National Grid natural gas systems are each unique with their own reliability issues, which require specific solutions. As referenced above, Con Edison's LTP explained that it was pursuing its own unique pipeline

²⁰⁵ DEC, Northeast Supply Enhancement Project - Justification Statement for Inconsistency with Section 7(2) of the CLCPA, p. 4 (citing DEC, Commissioner Policy 49: Climate Change and DEC Action (last revised December 14, 2022)).

²⁰⁶ DEC, Northeast Supply Enhancement Project - Justification Statement for Inconsistency with Section 7(2) of the Climate, pp. 5-6.

²⁰⁷ LTP Order, p. 58.

²⁰⁸ LTP Order, p. 61 (citing Case 19-G-0678, supra, National Grid Monitorship: Closing Report (filed September 14, 2021), p. 1).

²⁰⁹ LTP Order, p. 61.

²¹⁰ NYCP Petition, p. 18.

solutions, Tennessee East and ExC, to provide it with incremental capacity to meet that system's needs.²¹¹ The amount of natural gas that can be taken off of the Tennessee system at Con Edison's interconnections with it is limited and would require significant investment on the part of Con Edison to transfer the gas to National Grid. The Texas Eastern pipeline deliveries at Staten Island are constrained by the limited transfer ability between Staten Island and Brooklyn. Transco and Iroquois are the best options for improving reliability into National Grid's service territory, and National Grid has already contracted for capacity on the Iroquois ExC project, as has Con Edison.

The Commission appropriately analyzed its action in the LTP Order and correctly determined that it was not inconsistent with, nor would it interfere with CLCPA §7(2).²¹² As explained earlier, the Commission did not approve any projects in National Grid's LTP.²¹³ Instead, the Commission directed National Grid to submit additional information in its next LTP which will enable the Commission and stakeholders to assess the Company's ability to provide safe and adequate service, while meeting the goals of the CLCPA. This was consistent with the intent of the gas planning process.²¹⁴ As a result, there is no agency action compelling or directing National Grid to proceed with any project, and the Commission's analysis regarding CLCPA §7(2) is correct. Furthermore, as DEC did conduct an analysis pursuant to CLCPA §7(2) in connection

²¹¹ Case 23-G-0147, supra, Order Regarding Long-Term Natural Gas Plan and Requiring Further Actions (issued September 20, 2024), p. 6.

²¹² LTP Order, p. 127.

²¹³ LTP Order, p. 127.

²¹⁴ LTP Order, p. 127.

with its issuance of permits necessary for NESE's construction, it would be an illogical conclusion to require the Commission to duplicate that same analysis.

2. CLCPA §7(3)

The Commission's LTP Order is consistent with the requirements of CLCPA §7(3). CLCPA §7(3) requires that State agencies shall not disproportionately burden disadvantaged communities in considering and issuing permits, licenses, and other administrative approvals and decisions. Further, CLCPA §7(3) requires that all state agencies prioritize reductions in GHGs and co-pollutants in disadvantaged communities.

NRDC incorrectly argues that the Commission violated CLCPA §7(3) because, it contends, the Commission approved NESE without considering whether disadvantaged communities would be disproportionately burdened. NRDC makes this assertion despite the Commission's statement that it "did not approve, direct, or compel the construction of the NESE project."²¹⁵ NRDC contends the opposite of this statement. Instead, NRDC argues that the Commission's statement that NESE is "needed" acts to overrule its declaration that it is not approving NESE, and is tantamount to approving its construction.²¹⁶

NRDC's argument that the Commission approved the construction of the NESE project, triggering the need for a detailed analysis of NESE's impact on disadvantaged communities, contains two dispositive flaws. First, NRDC ignores the clear language of the LTP Order, which explains that the Commission is not approving, directing, or compelling the construction of NESE.²¹⁷ Second, NRDC ignores the fact that the Commission does

²¹⁵ LTP Order, p. 127.

²¹⁶ NRDC Petition, p. 17.

²¹⁷ LTP Order, p. 127.

not have the authority to approve an interstate natural gas pipeline. FERC has the sole authority to approve the siting and certification of interstate natural gas pipelines.²¹⁸ Further, and as discussed above, it is the DEC that has the sole authority to issue those permits necessary from New York State for Transco to proceed with NESE. Thus, even if the LTP Order did "approve" the construction of NESE, such "approval" would be without any legal effect as it would not authorize Transco to proceed with construction. NRDC's contention that the Commission approved NESE fails to overcome these flaws.

Next, NRDC claims that this approval of NESE lacked the requisite analysis concerning whether an agency action disproportionately burdens disadvantaged communities. NRDC claims that the Commission approved NESE and only conducted a " cursory analysis of §7(3)" that did not "meaningfully evaluate distributional impacts or how long-term gas investments burden disadvantaged communities."²¹⁹ Further, NRDC argues that since the LTP proceeding was not an evidentiary proceeding, "it lacked the record development required for prudence or CLCPA consistency findings under PSL §66(12)."²²⁰ Finally, NRDC asserts that "the Commission's CLCPA conclusions regarding NESE rest on a procedural error and on analytical gaps," because there was no sworn testimony or cross-examination.²²¹

All of NRDC's arguments are incorrect. As explained in detail above, the Commission did not approve the NESE project because the Commission does not have the authority to approve an interstate natural gas pipeline or issue any permits required

²¹⁸ 15 U.S.C.A. §717f.

²¹⁹ NRDC Petition, p. 16.

²²⁰ NRDC Petition, p. 16.

²²¹ NRDC Petition, pp. 16-17.

from New York State in connection therewith. Further, even though the Commission did not approve NESE, the Commission did explain that the proposed project route for NESE is not within a disadvantaged community.²²² Also, the LTP Order explained that the directives in that Order do not disproportionately burden disadvantaged communities.²²³ These directives include requiring National Grid to provide updates which identify programs that will benefit disadvantaged communities, a report explaining how the Company will improved its demand forecasting, updated design day and annual demand forecasts, and a community outreach plan.²²⁴

NRDC's procedural argument lacks merit. NRDC does not and cannot identify any language in CLCPA §7(3) that would require an evidentiary hearing before a State agency can make the findings specified in §7(3). Instead, NRDC seeks to apply the hearing requirement for a major change in rates found in PSL §66(12)(f) to a determination pursuant to PSL §7(3). As discussed above, NRDC is incorrect regarding PSL §66(12)(f)'s application to the Commission's action in the LTP Order generally. Moreover, even if PSL §66(12)(f) had any application to any aspect of the LTP Order - and it does not - NRDC does not and cannot explain why that application and the lack of a hearing would present an error of law with regard to the Commission's CLCPA §7(3) findings in the LTP Order.

The Commission's LTP Order does not disproportionately burden disadvantaged communities because it does not approve any projects. Further, the actions that the Commission did take in the LTP Order did not disproportionately burden disadvantaged

²²² LTP Order, p. 128.

²²³ LTP Order, p. 128.

²²⁴ LTP Order, pp. 128, 137-138.

communities. Moreover, the LTP Order noted that NESE would allow National Grid to decrease reliance on trucking CNG to injection points on National Grid's system, reducing GHG emissions and emissions of harmful criteria pollutants such as particulate matter, nitrous oxide, and sulfur dioxide. Accordingly, NRDC's claims concerning CLCPA §7(3) are incorrect. NYCP's claim that the passage of the 100-Foot Rule Bill warrants rehearing are incorrect.

NYCP's claim that the Legislature's passage of the 100-Foot Rule Bill is a new circumstance warranting rehearing is incorrect. NYCP argues that the potential enactment of the 100-Foot Rule Bill would significantly impact applications for new gas service, warranting rehearing. As discussed above, the proposed 100-Foot Rule Bill would require an applicant for new gas service to pay the costs for facilities necessary to provide the applicant with gas service.²²⁵

As noted above, PSL §22 and 16 NYCRR §3.7(b) allow interested parties to request rehearing of a Commission determination. The Commission's rules state the grounds for rehearing, which includes new circumstances that warrant a different determination.²²⁶ The argument proffered by NYCP, however, does not satisfy the criteria.

NYCP states that it raised the issue of the Legislature's passage of the 100-Foot Rule Bill in a letter Motion.²²⁷ The Motion requested that the Commission strike National Grid's Addendum or require National Grid to "evaluate the impacts of all relevant recent events potentially affecting

²²⁵ PSL §31(4).

²²⁶ 16 NYCRR §3.7(b).

²²⁷ NYCP Petition, p. 12.

the supply and demand of gas.”²²⁸ Further, NYCP incorrectly claims that the Commission “declined to strike the Addendum, but did not respond to the requested ... consideration of all new circumstances.”²²⁹ The Commission did consider NYCP’s request to extend the LTP process, but it determined that there was not a “compelling need to further extend this process or develop additional analyses.”²³⁰

NYCP argues that the potential enactment of the 100-Foot Rule Bill is a similar circumstance as the NESE project, which warrants rehearing. Further, NYCP contends that the potential enactment of the 100-Foot Rule Bill would have a significant impact on new applications for service.²³¹ However, NYCP does not explain how the potential enactment of the 100-Foot Rule Bill would change the analysis or conclusions of the LTP Order. The Assembly Sponsor’s memo for the 100-Foot Rule Bill provides insight, explaining that the “bill would not prevent applicants for new gas service from connecting to the gas system.” Instead, the bill would “require new applicants to pay for their gas connection themselves.”²³²

It is important to note that while enactment of the 100-Foot Rule Bill would require applicants to pay for the costs of extending facilities to them, new customers would still be able to connect to the gas system. Additionally, the Commission’s main objective in assessing the impact of NESE on the downstate gas system as part of the LTP process was to

²²⁸ NYCP Petition, p. 12.

²²⁹ NYCP Petition, p. 12.

²³⁰ LTP Order, p. 136.

²³¹ NYCP Petition, p. 12.

²³² New York State Assembly, Memorandum in Support of 2025 NY Assembly Bill A.8888.

consider whether it would help to ensure the reliability of that system for existing customers. In the LTP Order, the Commission explained that its primary duty is to ensure that utilities are able to provide safe, adequate, and reliable service to their customers.²³³ While the LTP Order noted the availability of natural gas for economic development, the LTP Order also explained that NESE addresses a current reliability need for current customers. The Commission's analysis explaining how close National Grid came to curtailing customers on the downstate natural gas system because of the impact of Winter Storm Elliott demonstrates the need for a more reliable source of supply.²³⁴ Further, the Commission explained that NESE would improve the reliability of the system for current customers by allowing National Grid to reduce its reliance on less reliable sources of supply such as CNG and peaking service contracts.²³⁵ Thus, the potential enactment of the 100-Foot Rule Bill does not present circumstances that would change the analysis of the reliability needs on National Grid's downstate system or whether NESE would address those needs.

CONCLUSION

The Petitions for Rehearing filed by NYCP and NRDC are denied for the reasons discussed above. As explained above, the Commission did not undertake final agency action to approve, direct, or compel the construction of NESE. Additionally, the analysis regarding the reliability needs of National Grid's downstate system, how NESE could address those reliability needs and the various directives contained in the LTP Order are

²³³ LTP Order, p. 57.

²³⁴ LTP Order, pp. 61-66.

²³⁵ LTP Order, p. 72.

supported by a well-established record in this proceeding and in the records of multiple previous proceedings that stretch back several years. The LTP Order complied with the requirements of CLCPA §7(2) and (3). Finally, the Legislature's passage of the 100-Foot Rule Bill and its potential enactment does not impact or necessitate any modifications to the analysis contained in the LTP Order.

The Commission orders:

1. The Petitions for Rehearing of New Yorkers for Clean Power, and the Natural Resources Defense Council are denied.
2. This proceeding is continued.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS
Secretary