NEW YORK STATE | Department of Public Service

KATHY HOCHUL
Governor

RORY M. CHRISTIAN
Chief Executive Officer

March 26, 2026

VIA E-MAIL
Hon. Michelle L. Phillips
Secretary to the Commission
NYS Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 17-G-0011 - In the Matter of a Review of Tariff Provisions Regarding Natural Gas Service to Electric Generators.

Dear Secretary Phillips:

Per the March 25, 2026, Notice of Technical Conference and in compliance with the Public Service Commission's Order Directing Modifications to Tariff Provisions Applicable to Electric Generators, issued October 17, 2025, staff of the Department of Public Service (Staff) is holding a technical conference to explore the technical aspects and appropriate rate treatment for ignition gas. Staff has prepared the enclosed questions to help stakeholders prepare for the discussion.

The technical conference will take place on Wednesday, April 8, 2026, starting at 1:00 p.m. The meeting will be conducted via WebEx and may be accessed using the following link:

https://meetny-gov.webex.com/meetny-gov/j.php?MTID=m60631c581770a523627fc70d2584317b

Meeting Number: 2836 931 0356
Password: A3rmf2Nsg9b

Participation via teleconference will also be available using the following call-in information:

Call-in Number: (415) 527-5035
Conference Code: 2836 931 0356

Questions regarding the Technical Conference should be directed to Hieu.Cam@dps.ny.gov or Kai.Salem@dps.ny.gov.

Respectfully yours,

/s/
Kai Salem
Excelsior Fellow

NEW YORK STATE
DEPARTMENT OF PUBLIC SERVICE

CASE 17-G-0011 - In the Matter of a Review of Tariff Provisions Regarding Natural Gas Service to Electric Generators.

QUESTIONS FOR DISCUSSION AT TECHNICAL CONFERENCE REGADING IGNITION GAS

(filed March 26, 2026)

NEW YORK STATE
DEPARTMENT OF PUBLIC SERVICE

CASE 17-G-0011 - In the Matter of a Review of Tariff Provisions Regarding Natural Gas Service to Electric Generators.

QUESTIONS FOR DISCUSSION AT TECHNICAL CONFERENCE REGADING IGNITION GAS

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INTRODUCTION

The Commission's October 2025 Order in this proceeding directed the local gas distribution companies (LDCs)[1] to modify tariff provisions applicable to electric generators and directed Staff to host a technical conference to explore the technical aspects and appropriate rate treatment for ignition gas.[2] This document summarizes the proposals and comments previously filed in this proceeding, and Commission determination regarding ignition gas. This document then poses questions for discussion at the upcoming technical conference.

BACKGROUND

Ignition gas is gas used by electric generator customers for purposes other than electric generation, such as

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[1] The LDCs refers to Central Hudson Gas & Electric Corporation (Central Hudson); Consolidated Edison Company of New York, Inc. (Con Edison); KeySpan Gas East Corporation d/b/a National Grid (KEDLI); Liberty Utilities (St. Lawrence Gas) Corp.; National Fuel Gas Distribution Corporation; New York State Electric & Gas Corporation; Niagara Mohawk Power Corporation d/b/a National Grid (NMPC); Orange and Rockland Utilities, Inc. (O&R); Rochester Gas and Electric Corporation; and The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY).

[2] 17-G-0011, Order Directing Modifications to Tariff Provisions Applicable to Electric Generators (issued October 17, 2025) (October 2025 Order), pp. 3-4, 45.

pilot lights or space heating. Ignition gas is also used to support switching back to gas from alternate fuels after an interruption. In 1999, the Commission required that "ignition gas and space heating requirements [known simply as ignition gas] whether or not separately metered, will be separately priced at tariff rates applicable for those types of service."[3]

In the Staff Proposal on Electric Generator Rate Design (Initial Proposal), Staff recommended elimination of the requirement to separately price transportation of ignition gas at firm tariff rates, given that generators are interrupted very rarely.[4] Staff reasoned that it is less burdensome to price ignition gas transportation together with other generator gas transportation. The Initial Proposal also recommended that generators should not be required to meter ignition gas separately. Staff recommended a Minimum Charge - Access Charge that would include an amount of gas transportation inclusive of ignition gas. The Initial Proposal did not recommend a specific amount of gas transportation to be included in the Access Charge but specified that any gas transported above the minimum quantity included in the Access Charge would be priced together with all other usage, rather than metering ignition gas separately. Subsequently, Staff filed the Staff Revised Proposal on Electric Generator Rate Design (Revised Proposal), which recommended that the Access Charge include transportation of a nominal 10 dekatherms (Dth) per month and maintained the Initial Proposal's position regarding the treatment and pricing

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[3] Case 98-G-0122, Proceeding on Pricing of Gas Transportation for Electric Generation, Untitled Order (issued March 17, 1999), p. 6.

[4] Case 17-G-0011, Staff Proposal on Electric Generator Rate Design (filed March 30, 2020).

of ignition gas.[5] The Revised Proposal also recommended charging for all other volumes, regardless of the purpose of the usage and including ignition gas, through the volumetric rate.

In response to the Initial and Revised Proposals, stakeholders provided comments on the ignition gas issue. From the perspective of those paying the rates charged to generators, the Long Island Power Authority (LIPA) asserts that ignition gas should be treated as a firm, non-interruptible service to enhance electric system reliability.[6] Further, LIPA recommends that transportation of ignition gas include gas necessary to support space heating and ensure successful switching between gas and alternate fuels during interruptions.[7] LIPA estimates that the amount of gas it needs per unit ranges from 200 to 320 Dth per hour during interruptions.[8] The Independent Power Producers of New York (IPPNY) states that minimum gas should not be included in the Access Charge as it believes ignition gas is a more appropriate cost for a volumetric rate due to its variability.[9]

NMPC, KEDNY, and KEDLI (collectively, National Grid), as well as Con Edison and O&R support the Initial Proposal's recommendation to eliminate the requirement to price ignition

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[5] Staff Revised Proposal on Electric Generator Rate Design (Revised Proposal) (filed February 6, 2024).

[6] Case 17-G-0011, LIPA Comments (filed November 1, 2021), p. 6; Case 17-G-0011, LIPA Reply Comments (filed June 5, 2024), p. 7.

[7] Case 17-G-0011, LIPA Comments on Staff Revised Proposal (filed May 22, 2024), p. 9.

[8] Id.

[9] Case 17-G-0011, IPPNY Reply Comments (filed June 5, 2024), p. 6.

gas separately at firm rates.[10] Con Edison and O&R oppose including firm transportation of ignition gas in the Access Charge as they do not track this data or have access to this information.[11] Con Edison and O&R state that if transportation of ignition gas is included in the Access Charge, it should be a tiered approach based on the size of the generator.[12] Central Hudson supports eliminating the requirement to separately price and meter ignition gas.[13]

The Commission, in its October 2025 Order, rejected as excessive LIPA's proposal to include transportation of 200to 320 Dth per hour in the "Minimum Monthly Charge," which is the rate component analogous to the Access Charge identified in the Initial and Revised Proposals.[14] However, the Commission recognized the merit of providing sufficient gas transportation during interruptions to enable electric generation facilities to maintain building temperatures above freezing. As such, the Commission directed Staff to hold a technical conference to explore various aspects and appropriate rate treatment of providing a minimal level of firm gas transportation service for space heating within 180 days of the issuance of the Order.[15]

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[10] Case 17-G-0011, National Grid Comments on Electric Generator Rate Design (filed November 1, 2021), p. 10; Case 17-G-0011, Con Edison/O&R Comments on Gas Generator Rates (filed November 1, 2021), p. 5.

[11] Case 17-G-0011, Con Edison/O&R Comments on Gas Generator Rates (filed November 1, 2021), p. 5.

[12] Id.

[13] Case 17-G-0011, Central Hudson Comments (filed November 1, 2021), p. 8.

[14] October 2025 Order, p. 15.

[15] Id., pp. 15-16.

QUESTIONS FOR DISCUSSION

The technical conference will be held via Webex on Wednesday, April 8, 2026, starting at 1:00 p.m. The access information for the technical conference was provided in a separate notice issued by the Secretary to the Commission. To facilitate the discussion during the technical conference, Staff has identified a number of questions to better understand the practicality and technical aspects of providing firm transportation service for ignition gas. Those participating in the technical conference should come prepared to discuss the following questions.

1. When transportation of gas for generation is interrupted, is transportation of ignition gas also interrupted?
   a. If so, how does interruption of ignition gas transportation impact operations at the generation facility?
   b. If transportation of ignition gas continues during interruptions of generation gas service:
      i. How much ignition gas is used, on average, during generation gas interruptions?
      ii. What rate does the LDC charge for transportation of ignition gas during the interruption?
2. What rates does each LDC charge generators for transportation of ignition gas?
3. Do any generators receive interruptible transportation for gas for generation but firm transportation for ignition gas?
   a. If so, is the ignition gas metered separately?
   b. If so, what rate(s) does the LDC charge for firm transportation of ignition gas?
   c. If not, how does the LDC and/or generator estimate the amount of ignition gas transported?
4. At what intervals can the LDCs currently read meters at generation facilities (real time/instantaneous, hourly, daily, monthly, or other)?
5. Would each LDC need to install additional facilities to provide firm transportation service for ignition gas? Be prepared to specify the equipment and the estimated cost.

6. Can each LDC provide firm transportation service for ignition gas without separately metering ignition gas and gas used for generation (e.g. by providing a specified quantity of firm transportation of ignition gas on a daily or hourly basis)? If so:
   a. Is this method impractical or costly? What would providing service entail?
   b. How should the firm transportation quantity for ignition gas be determined without separate metering?
   c. Can the LDC shut off service (discontinue transportation) remotely if the generator exceeds the firm transportation quantity?
7. If an LDC does provides firm transportation service for ignition gas, how should it be priced?
8. Would providing firm transportation service for ignition gas jeopardize the LDC's system reliability? If so, can the LDC offer the service on a case-by-case basis?
   a. What is the estimated current total load for ignition gas per unit?
   b. Is there an estimated ignition gas load level that would jeopardize the LDC's system reliability?
9. What are some typical current and forecasted (if different) ignition gas requirement on an hourly, daily, and monthly basis for a generation facility? Be prepared to identify requirements by end use (e.g., space heating, hot water heating, generation unit shut down and restart).
10. Would having firm transportation rates for ignition gas impact the generators' bids in the New York Independent System Operator markets? If so, how?