STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 26-G-0384 - Petition of The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid for Authorization to Permit their Existing Base Tariff Rates to Remain in Effect During the Year Ending March 31, 2028 and Other Related Relief.

ORDER STABILIZING RATES

Issued and Effective: November 19, 2026

TABLE OF CONTENTS

INTRODUCTION 1
BACKGROUND 3
SUMMARY OF THE PETITION 5
Continuing Existing Base Delivery Rates 8
Levelization Deferral 9
Net Plant Tracker 10
Capital Investment Plan 11
City/State Construction Capital Expenditures 12
City/State Construction O&M Expense 12
Property Taxes 13
Uncollectible Expense 14
Leak-Prone Pipe Removal Targets 14
Leak Backlog Targets 15
Rate Stabilization Surcharge Mechanism 16
NOTICE OF PROPOSED RULE MAKING 17
PUBLIC COMMENTS 18
LEGAL AUTHORITY 29
DISCUSSION 29
Continuing Existing Base Delivery Rates Without Change 31
Levelization Deferral 39
Net Plant Tracker 40
Capital Investment Plan 42
City/State Construction O&M Expense 48
Property Taxes 49
Uncollectible Expense 51
Deferral Treatment 53
Leak-Prone Pipe Removal Targets 55
Leak Backlog Targets 58
Rate Stabilization Surcharge Mechanism 61
CLCPA Policy Alignment 65
Customer Affordability 73
Motion for Procedural Relief 74
CONCLUSION 77

APPENDICES

Appendix A – Net Plant Targets and Revenue Requirement Caps

Appendix B – Net Plant and City/State Construction Reconciliation Mechanism Examples

Appendix C – Draft Tariff Amendments

Appendix D – Surcharge Bill Impacts

Appendix E – Greenhouse Gas Emissions Analysis

Appendix F – Disadvantaged Community Impacts Analysis

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of New York on November 19, 2026

COMMISSIONERS PRESENT:

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

CASE 26-G-0384 - Petition of The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid for Authorization to Permit their Existing Base Tariff Rates to Remain in Effect During the Year Ending March 31, 2028 and Other Related Relief.

ORDER STABILIZING RATES

(Issued and Effective November 19, 2026)

BY THE COMMISSION:

INTRODUCTION

On May 29, 2026, The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY) and KeySpan Gas East Corporation d/b/a National Grid (KEDLI) (collectively, the Companies or National Grid) filed a petition requesting approval of a Rate Stabilization Proposal (Petition) to continue their existing base delivery rates, which would remain in effect for the twelve-month period ending March 31, 2028, or Rate Year 4 (RY 4), and other related proposals. According to the Companies, their proposal would maintain current base delivery

rates and avoid the need for rate cases that would have otherwise proposed significant rate increases for RY 4.[1]

The Petition requests to: (1) continue current tariff base delivery rates; (2) establish regulatory liabilities equal to the levelization amount in place during the third year of the existing rate plan (RY 3) of approximately $161.936 million and $86.137 million for KEDNY and KEDLI, respectively;[2] (3) modify the Companies' existing downward-only Net Utility Plant and Depreciation Expense (Net Plant) Reconciliation Mechanism (Net Plant Tracker) to a two-way tracking mechanism allowing deferral of up to $94.141 million and $61.949 million of actually incurred Net Plant revenue requirement for KEDNY and KEDLI, respectively; (4) authorize KEDNY to defer for future recovery from customers any city/state construction operation and maintenance (O&M) expenses incurred in RY 4 in excess of the RY 3 revenue requirement, up to $27.803 million; (5) modify the Companies' existing property tax deferral mechanism to allow deferral of actual RY 4 property tax expenses incurred in excess of the property tax expense included in the RY 3 revenue requirement; (6) establish a two-way tracking mechanism for uncollectibles, enabling the Companies to defer 80 percent of any under-recovery, and 100 percent of any over-recovery; (7) modify the Companies' existing calendar year 2027 leak-prone pipe (LPP) removal metrics to 46 miles for KEDNY and 121 miles for KEDLI; (8) establish new leak backlog targets of 650 total leaks at year-end 2027 for KEDNY and 800 total leaks for KEDLI

---

[1] Case 26-G-0384, KEDNY and KEDLI – Base Tariff Rate Extension Petition, National Grid Cap Ex Petition (filed May 29, 2026) (Petition).

[2] Cases 23-G-0225 and 23-G-0226, KEDNY and KEDLI - Rates, Order Approving Terms of Joint Proposal and Establishing Rate Plans, with Minor Modification and Corrections (issued August 15, 2024) (2024 Rate Order).

and institute a 20 percent deadband such that the Companies would not incur a negative revenue adjustment (NRA) if the Companies' leak backlogs are 780 leaks or less for KEDNY and 960 leaks or less for KEDLI at calendar year-end 2027; and (9) implement a Rate Stabilization Mechanism Surcharge (Surcharge), capped at 2.5 percent of the prior year's revenue, to recover RY 4 deferral of property tax and site investigation and remediation (SIR) expenses, to take effect after the conclusion of RY 4, on May 1, 2028.

By this Order, the Commission approves KEDNY and KEDLI's Petition, with the modifications discussed below, and thus continues current tariff base delivery rates without change. Approving the Petition as modified allows the Companies to continue enhancing the safety and reliability of their gas systems. By maintaining customer rates without change, we continue our efforts to address customer affordability concerns.

BACKGROUND

KEDNY and KEDLI are currently in the third year of a three-year rate plan approved by the Commission in the 2024 Rate Order. The 2024 Rate Order adopted the terms of the Joint Proposal, with minor modifications and corrections, and established a three-year rate plan for gas service for the period beginning April 1, 2024, through March 31, 2027.[3] The approved rate plan provided for a revenue increase of $256.882 million for KEDNY and $147.093 million for KEDLI during RY 1, a revenue increase of $287.516 million for KEDNY and $163.136

[3] 2024 Rate Order, pp. 158-159, Attachment 1 (Joint Proposal). The three-year rate plan authorized in the 2024 Rate Order covers the 12 months ending March 31, 2025, or Rate Year One (RY 1); the 12 months ending March 31, 2026, or Rate Year Two (RY 2); and the 12 months ending March 31, 2027, or Rate Year Three (RY 3).

million for KEDLI during RY 2, and a revenue increase of $320.061 million for KEDNY and $180.428 million for KEDLI during RY 3. The revenue requirements for both KEDNY and KEDLI reflect a common equity ratio of 48 percent and a return on equity of 9.35 percent.[4] The 2024 Rate Order set forth numerous other terms, programs, and initiatives related to KEDNY and KEDLI's gas service, including revenue allocation and rate design for different customer classes, performance metrics, pilot programs, and customer service initiatives.

As RY 3 of their current rate plan will end on March 31, 2027, the Companies could have filed for new rates to be effective as early as April 1, 2027. For new rates to have been effective on that date, the Companies would have had to have submitted their rate filing by approximately April 30, 2026. Instead of doing so, the Companies filed this Petition, which they state "avoids the need for a full rate case filing [for rates to be effective during RY 4], under which the Companies project that customers would likely see bill increases above inflation, largely driven by cost components outside the Companies' control."[5]

Since the filing of the Petition, staff of the Department of Public Service (Staff) has conducted a thorough review of the Petition. Staff submitted 65 information requests to the Companies concerning the Petition. The Companies provided responses to these information requests and supplemented their responses as needed. Staff also held technical meetings with the Companies to ensure accurate understanding of the Petition and information request responses. The Companies shared their responses to Staff's information

[4] 2024 Rate Order, p. 10.

[5] Petition, p. 2.

requests with stakeholders who sought those responses. Additionally, the Companies voluntarily responded to stakeholders' information requests throughout the proceeding. Further, the Companies offered to meet with stakeholders to discuss the Petition, meeting with at least one. Stakeholders and members of the public submitted extensive comments regarding the Companies' Petition.

On August 14, 2026, the New York Department of State, Division of Consumer Protection Utility Intervention Unit (UIU) filed a motion seeking additional process, including, but not limited to, the use of the discovery procedures set forth in 16 NYCRR Part 5 and the assignment of an ALJ to oversee discovery.[6] As explained further below, the Commission finds additional process in this notice-and-comment proceeding unnecessary because the process afforded to stakeholders has been transparent and exceeded legal requirements.

SUMMARY OF THE PETITION

On May 29, 2026, KEDNY and KEDLI filed a Petition seeking authorization to implement proposals that would enable the Companies to avoid a rate case and maintain present base delivery rates through March 31, 2028, without change. The Companies assert that maintaining their existing rates during RY 4 will support rate stability and affordability while enabling National Grid to make necessary capital investments to maintain safe and reliable service and advance key Commission policy goals, such as continued reductions in greenhouse gas (GHG) emissions from their natural gas system. Since filing the Petition, and, as a result of the review conducted by Staff, the Companies provided corrected and updated information relating to

[6] UIU Motion for Procedural Relief (filed August 14, 2026) (UIU Motion).

the Net Plant Tracker targets, capital expenditures, and city/state construction O&M expense deferral caps.[7]

The Companies' Petition makes the following proposals, which are further detailed below. First, the Petition proposes to extend the current rate plan's RY 3 levelized base delivery rates through RY 4, without change. Second, the Petition proposes to create regulatory liabilities, or monies owed to customers, equal to the levelization amounts in current RY 3 rates, or $161.936 million for KEDNY and $86.137 million for KEDLI.

Third, the Petition proposes to modify the Companies' existing downward-only Net Plant Tracker to a two-way tracking mechanism.[8] This would allow KEDNY and KEDLI to defer for future recovery from customers up to $94.141 million and $61.949 million, respectively, of Net Plant actually incurred in RY 4.[9] Fourth, the Petition proposes to allow KEDNY to defer 100 percent of any city/state construction O&M expenses incurred in RY 4 in excess of the level reflected in the RY 3 revenue requirement, up to a cap of $27.803 million. The cap represents the incremental forecast of city/state construction O&M expenses, which is largely attributable to the expiration of the

[7] Response to DPS-001, Supplemental Attachments 1 and 8 (September 22, 2026); and Supplemental Attachments 2 and 9 (September 29, 2026); Response to DPS-016.

[8] Response to DPS-015, Supplemental Attachments 1-4. The Companies propose to maintain the City/State Construction Net Plant Tracker and Customer Connection Net Plant Tracker separately from, but work in conjunction with, the total Net Plant Tracker for RY 4 and to maintain the 90/10 sharing mechanism for the City/State Construction Net Plant Tracker.

[9] Response to DPS-001, Supplemental Attachment 1 (KEDNY) (September 22, 2026); Supplemental Attachment 2 (KEDLI) (September 29, 2026).

cost sharing agreement with the City of New York (the City).[10] Fifth, the Petition proposes to modify the Companies' existing property tax deferral mechanism to permit each Company to defer, for future recovery from or return to customers, 100 percent of the difference between the level of property tax expense reflected in their respective RY 3 rates and the actual property tax expenses they incur in RY 4. Sixth, the Petition proposes to establish a two-way tracker for uncollectible expense under which the Companies would compare the level actually incurred during RY 4 to the level reflected in their respective RY 3 rates. The Companies would defer 80 percent of any under-recovery of uncollectible expense in RY 4 for future recovery from customers and 100 percent of any over-recovery of uncollectible expenses in RY 4 for future return to customers.

Seventh, the Petition proposes to adopt minimum removal targets for LPP, below which the Companies would incur NRAs, of 46 miles for KEDNY and 121 miles for KEDLI for calendar year 2027. Under the current rate plan, the minimum removal targets for calendar year 2026 are 51 miles for KEDNY and 129 miles for KEDLI. Eighth, the Petition proposes to establish revised leak backlog minimum targets of 650 total leaks and 800 total leaks by the end of 2027 for KEDNY and KEDLI, respectively, and adopt a 20 percent deadband such that the Companies would not incur NRAs if the backlogs are 780 leaks or less for KEDNY and 960 leaks or less for KEDLI by the end of 2027. This proposal would modify the current rate plan, under

[10] As required by the cost sharing agreement, New York City is to provide direct reimbursement to KEDNY for certain city/state construction costs incurred through June 2025.

which leak backlog targets for the end of 2027 will be 600 for KEDNY and 500 for KEDLI.[11]

Ninth, the Petition proposes to establish a Rate Stabilization Mechanism Surcharge, beginning after the conclusion of RY 4, on May 1, 2028, to recover the RY 4 property taxes and SIR deferral balances. The Surcharge would be limited to an annual cap of 2.5 percent of the Companies' respective actual prior year's aggregate operating revenues.[12] The Companies propose to reconcile the Surcharge annually, with any prior year over- or under-recoveries adjusted for carrying charges at their respective pre-tax weighted average cost of capital.

Continuing Existing Base Delivery Rates

The Companies propose to extend the levelized base delivery rates from RY 3 of the current rate plan through RY 4 without change. The Companies state that authorizing the proposals set forth in the Petition avoids the need for a full rate case filing that would have otherwise resulted in significant bill increases for RY 4 compared to the Companies' current levelized RY 3 base delivery rates, largely driven by

[11] "At the end of Rate Year Three, if not modified by the Commission ... [t]he total leak backlog targets shall continue to decrease at an annual rate of 200 leaks for KEDNY and 750 leaks for KEDLI until the total leak backlog is reduced to less than 100 leaks." 2024 Rate Order, Attachment 1 (Joint Proposal), pp. 76-77.

[12] The Companies will need to file Surcharge-related tariff amendments and, after the tariff amendments have gone into effect, define the Surcharge in the Rate Stabilization Mechanism Statement (RSM Statement). The Companies propose to file the tariff amendments, on not less than 30 days' notice, to become effective April 1, 2028, and the first RSM Statement, on not less than three days' notice, to become effective May 1, 2028.

cost components outside the Companies' control.[13] National Grid claims that maintaining current base delivery rates provides financial relief, predictability, and rate stability to customers during a time of economic pressures from inflation and rising costs.

The 2024 Rate Order provides that, unless expressly stated otherwise, the provisions of the Joint Proposal will continue until changed by order of the Commission.[14] According to the Companies, the Petition continues, except for the limited modifications discussed herein, the full range of programs, protections, and commitments that the Commission determined were in the public interest when it approved the Joint Proposal. The Companies state that these benefits include their energy affordability initiatives, weather-related protections, expanded multi-lingual customer support and materials, and commitments to promote non-pipeline alternatives (NPAs).[15]

Levelization Deferral

As authorized in the 2024 Rate Order, the Companies' base delivery rates were levelized over the three-year term such that KEDNY's current base delivery rates reflect the amortization of a regulatory asset of approximately $161.936 million, and KEDLI's current base delivery rates reflect the amortization of a regulatory asset of approximately $86.137 million. The Petition proposes to continue the levelized base delivery rates, even though the regulatory assets associated with the levelization mechanism from the current rate plan will have been fully amortized by March 31, 2027. To address this discrepancy, the Companies propose to establish regulatory

[13] Petition, p. 4.

[14] 2024 Rate Order, Attachment 1 (Joint Proposal), p. 98.

[15] Petition, pp. 5-6.

liabilities equal to the levelization amounts in current rates of approximately $161.936 million for KEDNY and $86.137 million for KEDLI, which will be offset by the creation of regulatory assets as the Companies invest in capital projects and programs.

The Companies assert that the Commission has previously allowed utilities to defer the revenue requirement associated with beneficial capital investments and to use existing regulatory liabilities to offset those deferred capital costs.[16] The Companies submit that doing so in this case is in the public interest, particularly given the present emphasis on maintaining affordable utility rates.

Net Plant Tracker

The Companies state that the 2024 Rate Order does not provide for the deferral or recovery of costs associated with incremental capital expenditures beyond March 31, 2027. To track costs associated with implementation of their proposed RY 4 capital expenditure program, the Companies propose to modify the existing downward-only Net Plant Tracker to a two-way tracking mechanism. This would allow the Companies to create regulatory assets as they complete capital projects and add them to plant in service. In the revised capital expenditure forecasts, the Companies would defer for future recovery from customers up to $91.141 million of return of and return on actually incurred net utility plant and depreciation expense for RY 4 for KEDNY, and up to $61.949 million for KEDLI.[17] Further, National Grid explains that the proposed two-way Net Plant Tracker would operate in the same manner as the existing one-way

[16] Case 14-G-0214, Petition of KEDLI for Authority to Defer Costs, Order Directing Investments and Allowing, in Part, Deferral Authority and Establishing a Surcharge (issued December 15, 2014).

[17] Response to DPS-001, Supplemental Attachment 1 (September 22, 2026) and Attachment 2 (September 29, 2026).

tracker and would be capped at the capital forecast levels set forth in its proposal. The Companies explain that the trackers established in the 2024 Rate Order for city/state construction and customer connection net plant and depreciation will be maintained separately from, but work in conjunction with, the total Net Plant Tracker for RY 4.[18]

Capital Investment Plan

In their revised capital expenditure forecasts, the Companies' RY 4 capital expenditures include investments impacting gas system Net Plant of approximately $1.084 billion and $644.159 million for KEDNY and KEDLI, respectively.[19] Compared to the Petition, the updates decreased the investments by $18.379 million, or 1.7 percent, for KEDNY and $21.033 million, or 3.2 percent, for KEDLI. The Companies' capital forecasts are categorized by five spending rationales: (1) mandated, or the projects and programs needed to comply with regulatory obligations and rate plan commitments, including the city/state construction program; (2) reliability, or the projects and programs needed to maintain safe and reliable service to customers, which includes investments related to liquified natural gas (LNG); (3) customer connections, or the projects and programs designed to enable the Companies to support forecasted customer demand and include the installation of new mains, services and meters; (4) non-infrastructure, which includes the purchase of tools and equipment that meet the criteria for capital investment; and (5) indirect, which includes the Companies' forecasted investments for facilities, fleet and supply chain investments.

[18] Response to DPS-015, Supplemental Attachments 1-4.

[19] DPS-001, Supplemental Attachment 8 (September 22, 2026) and Attachment 9 (September 29, 2026). Capital investment includes cost of removal.

City/State Construction Capital Expenditures

The city/state construction program consists of construction work performed to accommodate the City's municipal construction activity that could impact the integrity of the Companies' gas facilities. Given the City's extensive municipal construction program, KEDNY's city/state construction capital expenditures represent one of the largest components in the mandated category of its capital budget. KEDLI's city/state construction capital expenditures are significantly lower due to the limited portion of its service territory within the City. KEDNY's and KEDLI's proposed RY 4 city/state construction capital expenditures are $373.102 million and $12.218 million, comprising approximately 34.4 percent and 2.2 percent of their overall capital proposals, respectively.

City/State Construction O&M Expense

The Petition proposes that KEDNY defer 100 percent of the difference between the RY 3 level of city/state construction O&M expense, as reflected in KEDNY's rates, and the actual RY 4 city/state construction O&M expenses, up to a cap of $27.803 million.[20] The Companies state that KEDNY's current rate allowance for RY 3 reflects $3.059 million of O&M expense associated with its obligations to support and protect facilities affected by city/state construction activities; however, the Companies forecast a much higher O&M expense for RY 4, $30.861 million, for reasons largely outside of KEDNY's control. KEDNY explains that, under the cost sharing agreement between KEDNY and the City that expired in June 2025, the City provided direct reimbursement to KEDNY for certain city/state construction costs as well as fixed rates for certain contractors. KEDNY states that, since the expiration of the

[20] Response to DPS-016, Attachment 2.

cost sharing agreement, it must use City-selected contractors for each project, leaving KEDNY with limited ability to influence the rates charged by those contractors and resulting in higher O&M expenses for RY 4. Further, KEDNY states that the actual level of city/state construction expenditures for RY 4 is driven entirely by the City's construction program.

KEDNY erroneously based the Petition's initial RY 4 city/state construction O&M expense forecast of $26.205 million on incremental spend relative to calendar year 2025 rather than calendar year 2022.[21] In a supplemental response, KEDNY corrected the RY 4 city/state construction O&M expense forecast to $30.861 million, resulting in an updated deferral cap of $27.803 million.[22]

Property Taxes

According to the Companies, KEDNY under-recovered property taxes by approximately $31.312 million in RY 1 and $36.051 million in RY 2, and KEDLI under-recovered property taxes by approximately $33.806 million in RY 1 and $61.423 million in RY 2.[23] The Companies argue that, given the RY 1 and RY 2 under-recoveries, they are likely to significantly under-recover property taxes in RY 4. Under the existing property tax reconciliation mechanism, the Companies state that they are exposed to property tax under-recoveries equal to an amount up to 2.5 basis points of return on common equity. The Companies argue that, while they make reasonable efforts to manage property taxes, these costs are generally beyond their control. As such, the Companies propose to defer 100 percent of the

[21] Petition, Exhibit 3.

[22] Response to DPS-016, Attachment 2.

[23] Response to DPS-058, Attachments 2 and 3; 2024 Rate Order, Attachment 1 (Joint Proposal), p. 65.

difference between property taxes in their rates and property tax expenses in RY 4.

Uncollectible Expense

According to the Companies, KEDNY under-recovered uncollectible expenses by approximately $11.018 million in RY 1 and $27.059 million in RY 2. KEDLI under-recovered uncollectible expenses by approximately $1.672 million in RY 1 and $0.538 million in RY 2. As such, the Companies propose an uncollectible expense tracker mechanism for RY 4 that would allow the Companies to defer for future recovery from customers 80 percent of any under-recoveries of uncollectible expenses incurred above the rate allowance and defer for future return to customers 100 percent of any over-recoveries of uncollectible expenses incurred below the rate allowance. The Companies attest that uncollectible expense is primarily driven by factors outside their control, such as weather, commodity cost volatility, customer protections, and economic health.

Leak-Prone Pipe Removal Targets

The Petition proposes to adjust both the budgeted targets and the minimum targets for miles of LPP removal from the levels established under the current rate plan for RY 3 and calendar year 2026. KEDNY and KEDLI plan to remove 51 miles and 123 miles, respectively, of LPP in RY 4.[24] These budgeted targets represent a decrease from the 56 miles and 134 miles that the current rate plan budgets for in RY 3 for KEDNY and KEDLI, respectively. However, KEDNY's proposed 51 miles represents no change from the average budgeted miles of removal across all three years of the current rate plan. KEDLI's proposal of 123 miles is a small decrease from the average budgeted 126 miles of removal across all three years of the

[24] Petition, p. 13.

current rate plan.[25] The Companies state that this small decrease from the average reduces capital costs, thus balancing the safety and environmental benefits of LPP removal with affordability concerns.[26] KEDNY and KEDLI's revised forecasts for RY 4 show capital expenditures of $317.582 million and $344.056 million for the proactive LPP removal program,[27] comprising approximately 29.3 percent and 53.4 percent of their overall capital proposals, respectively.

In addition, the Companies propose to reduce the minimum calendar year 2027 LPP removal targets, under which the Companies would incur NRAs for failing to meet the targets, to 46 miles for KEDNY and to 121 miles for KEDLI. Under the current rate plan, the Companies minimum targets for calendar year 2026 are 51 miles for KEDNY and 129 miles for KEDLI.[28] The Companies state that the proposed targets equal the average of the minimum LPP removal targets for calendar years 2024 through 2026 established in the current rate plan, and that the buffer between the proposed minimum and proposed budgeted LPP removal targets is consistent with the approach taken in the current rate plan.[29] As of the end of 2025, KEDNY and KEDLI state that approximately 1,160 miles and 2,683 miles of LPP remained in their respective service territories.

Leak Backlog Targets

The Petition proposes to modify the year-end 2027 leak backlog targets to 650 total leaks for KEDNY and 800 for KEDLI

[25] 2024 Rate Order, Attachment 1 (Joint Proposal), p. 75.

[26] Petition, pp. 13-14.

[27] Response to DPS-001, Supplemental Attachment 8 (KEDNY) (September 22, 2026); Supplemental Attachment 9 (KEDLI) (September 29, 2026).

[28] 2024 Rate Order, Attachment 1 (Joint Proposal), p. 75.

[29] Petition, p. 19.

and to adopt a 20 percent "deadband" around the target such that the Companies would not incur an NRA if they achieve year-end leak backlogs within 20 percent of the proposed backlog targets, effectively raising the threshold before they would incur an NRA to 780 leaks for KEDNY and 960 leaks for KEDLI.[30] Under the current rate plan, the backlog targets for the end of 2027 are 600 leaks for KEDNY and 500 leaks for KEDLI, with no deadband.[31] The Companies state that the modified targets recognize that, as they remove more LPP from their systems, a larger portion of the remaining leaks are more complex and costly to repair.[32]

Rate Stabilization Surcharge Mechanism

The Companies propose to implement a Rate Stabilization Mechanism Surcharge to recover RY 4 property tax and SIR deferral balances over time. The Companies propose to cap the Surcharge at 2.5 percent of the prior year's total operating revenues, as indicated in their annual reports to the Commission. The Companies propose allocating the RY 4 property tax deferral activity component of the Surcharge among service classes using a plant-based property tax allocator and SIR deferral activity component using a total firm delivery revenue allocator. The Companies would implement the Surcharge by filing the Rate Stabilization Mechanism Statement on not less than three days' notice, to become effective May 1, 2028.[33] The Surcharge would also be included on the Delivery Rate Adjustment Statement and would be reflected in the Delivery Rate Adjustment

[30] Petition, pp. 19-20.

[31] According to the current rate plan, KEDNY and KEDLI's year-end 2026 targets were 800 and 1250, respectively. Following the end of RY 3, total leak backlog targets will decrease annually by 200 leaks for KEDNY and 750 leaks for KEDLI. 2024 Rate Order, Attachment 1 (Joint Proposal), pp. 76-77.

[32] Petition, p. 19; Response to DPS-010.

[33] Petition, p. 21.

line item on customers' bills. Thereafter, the Companies would reconcile the Surcharge annually to include any over- or under-recoveries from the prior fiscal year, adjusted for carrying charges at the Companies pre-tax weighted average cost of capital.

The Companies estimate that with the Surcharge, beginning May 1, 2028, the average residential heating customer would see a monthly bill increase of approximately 1.59 percent for KEDNY and 1.97 percent for KEDLI.[34] Additionally, the Companies will continue to recover property taxes and SIR costs for other periods via the existing Rate Adjustment Mechanism and KEDNY's SIR surcharge mechanism.[35]

The Companies state that, given the recent history of increases in property taxes and SIR costs for reasons outside the Companies' control, KEDNY and KEDLI will likely under-recover these costs in RY 4.[36] The Companies state that the Surcharge will ensure timely future recovery of these costs. The Companies argue that this avoids the customer bill impacts that would otherwise result from accumulating deferral balances while also minimizing intergenerational inequities by assessing deferred costs to largely the same customers that benefitted from the rate stability afforded in RY 4.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on June 24, 2026 [SAPA No. 26-G-0384SP1].

---

[34] Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

[35] 2024 Rate Order, p. 60; 2024 Rate Order, Attachment 1 (Joint Proposal), p. 63.

[36] Petition, p. 20.

The deadline for submission of comments pursuant to the Notice was set to expire on August 24, 2026. On August 21, 2026, the Secretary to the Commission issued a Notice Extending Comment Deadline, which extended the comment deadline to September 23, 2026.[37]

PUBLIC COMMENTS

Four hundred twenty-two public comments were received on the Petition, including 247 prior to the comment deadline of September 23, 2026, from 301 individual commenters, nine organizational commenters, and two groups of elected officials. Several of the commenters submitted duplicative comments. Not all commenters provided their location, but at least 61 of the total comments received were from locations outside of New York State. Of the comments received from individuals providing addresses within New York State, at least 80 were from people who reside in the KEDNY or KEDLI service territories. The comments from the following nine organizational commenters are summarized below: AARP New York (AARP), Alliance for a Green Economy (AGREE), New York City, Environmental Defense Fund (EDF), Natural Resources Defense Council (NRDC), UIU, New Yorkers for Clean Power (NYCP), the Public Utility Law Project (PULP), and Sane Energy Project (Sane).

Most individuals' comments emphasize the importance of transparency and long-term affordability considerations in the Commission's review of the Petition. These comments also urge the Commission to require the Companies to clearly explain: (1) proposed deferrals; (2) customer bill impact; (3) proposed gas system investment; and (4) possible alternatives to gas infrastructure, such as energy efficiency, electrification, and

[37] Notice Extending Comment Deadline (issued August 21, 2026).

demand management. A few individuals provide additional personal details related to their affordability concerns. Five commenters express support for renewable energy and concern for the environmental impact of the gas system. One commenter residing in the KEDNY service territory strongly supports the Companies' proposed rate freeze as a practical and necessary step to protect consumers. One commenter from outside of New York State urges the Commission to ensure that its decision is based on a complete evidentiary record and provides specific comments related to whether the Petition constitutes a "major change" under the PSL.

On October 5 and October 9, 2026, 11 New York State Senators[38] and 18 New York State Assemblymembers[39] filed two nearly identical letters commenting on the Petition. The Senators and Assemblymembers request that the Commission implement additional public process for this case, including by making relevant information requests available, providing clarity on Staff's role in reviewing the Petition, assigning an ALJ, and implementing discovery procedures used in major rate cases. The signatories also request that the Commission reject the Petition "unless and until [the Companies] demonstrate,

[38] Signatory State Senators include Leroy Comrie (Senate District (SD) 14), Roxanne J. Persaud (SD 19), Julia Salazar (SD 18), Lea Webb (SD 52), Andrew Gounardes (SD 26), Nathalia Fernandez (SD 34), Jessica Ramos (SD 13), Erik Bottcher (SD 47), Liz Krueger (SD 28), Kristen Gonzalez (SD 59), and Jabari Brisport (SD 25).

[39] Signatory State Assemblymembers include Khaleel M. Anderson (Assembly District (AD) 31), Noah Burroughs (AD 18), Jessica Gonzalez-Rojas (AD 34), Rebecca Seawright (AD 76), Steven Otis (AD 19), Paula Elaine Kay (AD 100), Manny De Los Santos (AD 72), Jo Anne Simon (AD 52), Emerita Torres (AD 85), Michael Cashman (AD 115), Sarahana Shrestha (AD 103), Steven Raga (AD 30), Emily Gallagher (AD 50), Latrice M. Walker (AD 55), Diana Moreno (AD 36), Phara Souffrant Forrest (AD 57), Marcela Mitaynes (AD 51), and Dana Levenberg (AD 95).

through a transparent and rigorous review process, that the proposal serves the public interest and protects customers from rate increases that may result from it."[40] The signatories argue that the Commission should not deny necessary investments but should ensure that utility spending receives appropriate review, transparency, and accountability.

UIU recommends that the Commission evaluate whether the revenue impacts constitute a major change in rates pursuant to PSL §66(12).[41] UIU states that the carrying charges associated with the deferrals will compound, while transferring costs to future customers, and keeping carrying charges low will mitigate this risk.[42] In addition, UIU claims that the proposed deferral of actual property taxes compared to the amounts assumed in RY3 rates would transfer all risk to ratepayers. UIU suggests capping or otherwise mitigating the property tax deferral to limit this risk to ratepayers.[43] Finally, UIU raises concerns that, without certainty that a rate case will be filed, the deferral could accumulate indefinitely and carrying charges could continue to compound.[44] As such, UIU recommends that the Commission condition approval of deferral mechanisms on a requirement that the Companies file a rate case.

New York City recommends that the Commission reject the proposed Surcharge and changes to the property tax deferral mechanism. The City claims that the Surcharge would guarantee

---

[40] Case 26-G-0384, supra, Joint Letter from State Assemblymembers Regarding National Grid Rate Stabilization Proposal (filed October 9, 2026); Case 26-G-0384, supra, Joint Letter from State Senators Regarding National Grid. Rate Stabilization Proposal (filed October 5, 2026).

[41] UIU Comments (filed September 23, 2026), p. 3.

[42] UIU Comments (filed September 23, 2026), p. 4.

[43] UIU Comments (filed September 23, 2026), p. 4.

[44] UIU Comments (filed September 23, 2026), p. 5.

recovery of property taxes and SIR expenses without the full scrutiny or bill impact analysis of a rate case. The City also objects to the Surcharge because it would be on top of the existing Rate Adjustment Mechanism and SIR surcharges, burdening ratepayers, and would weaken incentives for the Companies to limit property tax and SIR expenditures.[45]

The City likewise recommends that the Commission reject the two-way capital tracker because it would guarantee recovery of capital expenditures for deferral. The City states that the changes to capital expenditures should be evaluated and open to stakeholder scrutiny in a rate case.[46] The City also raises concerns about investments in the Greenpoint LNG Facility and states that the Companies have not sufficiently justified the increase in forecasted capital expenditures from RY 3 to RY 4.[47] The City also recommends that the Commission reject the 20 percent leak backlog deadband because the Companies did not sufficiently justify the change from the 2024 Rate Order. In addition, the City recommends careful review of the Companies' demand forecasts and supply costs.

The City also claims that granting the Petition without the procedures of a full rate case would set a precedent of allowing utilities to modify existing settlements without re-entering settlement negotiations. The City states that this could discourage stakeholder parties from participating in future rate settlements. The City states that the past rate extension cases cited by National Grid either re-engaged signatory parties in negotiations or did not involve substantive

[45] City Comments (filed September 23, 2026), pp. 6-7.

[46] City Comments (filed September 23, 2026), pp. 8-9.

[47] City Comments (filed September 23, 2026), p. 9.

modifications.[48] Finally, the City expresses concerns that this Petition limits review of whether the Companies' policies align with the climate goals of the Climate Leadership and Community Protection Act (CLCPA).

AARP recommends that the Commission either reject the Petition or consider it as though it were a Petition for a major change in rates pursuant to PSL §66(12). AARP states that the proceeding's notice-and-comment posture limits public scrutiny of Staff negotiations with the Companies, which could reduce the burden of proof placed on the utilities.[49] AARP argues that, whereas policy-oriented proceedings benefit from the informal information sharing structures of a notice-and comment proceeding, single-utility rate filings such as this one "should be administered with the same due process attributes of a major rate case."[50] AARP also criticizes reducing LPP replacement miles and leak backlog targets without adjusting the incentive mechanisms or budgets. Finally, AARP states that the Companies' proposals will add $1.7 billion in infrastructure projects and create regulatory liabilities that ratepayers will fund after RY 4.

NYCP recommends that the Commission reject the Petition, allow the RY 4 rates approved in the 2024 Rate Order to take effect, direct the Companies to file a full rate case, and limit the Companies' LPP replacement program. NYCP contends

---

[48] City Comments (filed September 23, 2026), pp. 13-14 (citing Cases 15-E-0050 and 13-E-0030, Consolidated Edison Company of New York, Inc., Order Adopting Terms of Joint Proposal to Extend Electric Rate Plan (issued June 19, 2015) (2015 Con Edison Order); Cases 19-E-0378 et al., New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, Order Approving Electric and Gas Rate Plans in Accord with Joint proposal (issued November 19, 2020)).

[49] AARP Comment (filed September 23, 2026), p. 3.

[50] AARP Comment (filed September 23, 2026), p. 4.

that "the Petition willfully misrepresents" the continuation of levelized RY 3 rates as a rate freeze, given that the 2024 Rate Order directed post-RY 3 rates to reduce to the unleveled rates.[51]

NYCP also argued that the record before the Commission is insufficient to support the Companies' proposed investment into LPP replacement because the Companies did not supply their revised Distribution Integrity Management Plans or other leak-related data in the Petition or in response to requests for information. NYCP expressed concerns that a Commission directive to invest in the LPP program could limit future prudence reviews of that spending.[52] NYCP provided data on the Companies' historic LPP replacement and leak repair programs, claiming that the Companies' expensive LPP replacement does not meaningfully lead to fewer leaks on the system.[53] Thus, NYCP urged the Commission to curtail LPP replacement until a full rate case can justify such investments.

NRDC's comments claim that the alleged increase in rates due to the rate freeze would constitute a major change in rates under PSL §66(12). NRDC further argues that the proposal would shift the risks related to significant capital expenditure from shareholders to ratepayers. Finally, NRDC claims that any consideration of additional gas system investment must receive greater scrutiny, in accordance with current State policy, citing recently passed State laws.[54]

As an attachment to its comments, NRDC filed a report prepared for this case by Synapse Energy Economics (Synapse

---

[51] NYCP Comments (filed October 4, 2026), pp. 2-3.

[52] NYCP Comments (filed October 4, 2026), pp. 4-5.

[53] NYCP Comments (filed October 4, 2026), pp. 6-12.

[54] NRDC Comments (filed September 23, 2026), p. 4 (citing L. 2026, c. 58, Part N, §§1, 3).

Report).[55] First, the Synapse Report claims that the Petition proposes an increase in rates, not a rate freeze. Since the Petition proposes that RY 4 rates remain at levelized, rather than unlevelized, RY 3 rates and also defers certain incremental capital and operational costs, the Synapse Report calculates that the Petition would result in a 13.6 percent increase in revenues for KEDNY and a 10.1 percent increase in revenues for KEDLI.[56] Second, the Synapse Report claims that the Petition would remove cost-sharing incentive mechanisms that incentivize the Companies to reduce property tax liability and limit capital investment.[57] Third, it argues that the proposed capital expenditures cannot be sufficiently evaluated by stakeholders without the procedural protections of a rate case.[58] Fourth, it argues that the Petition does not sufficiently support the city/state construction O&M expense deferral cap, the Petition does not provide for after-the-fact review of the reasonableness of excess O&M costs, and that the Companies should not receive carrying charges on this deferral because it does not reflect capital investments. Fifth, it states that the proposed uncollectible expense cost sharing mechanism adds costs that ratepayers would not bear in RY 4 pursuant to the 2024 Rate Order. Sixth, it claims that the change to the leak backlog targets and the addition of the deadband would weaken performance obligations and reduce financial incentives to meet those gas safety targets.[59]

[55] Synapse Report (filed September 23, 2026).

[56] Synapse Report, p. 3.

[57] Synapse Report, p. 14.

[58] Synapse Report, p. 16.

[59] Synapse Report, p. 18.

EDF recommends that, if the Commission approves the Petition, it should specify that the Companies must still fulfill commitments from the 2024 Rate Order.[60] EDF explains that the programs and commitments in the Joint Proposal were negotiated and agreed to by the signatory parties and were approved by the Commission. EDF highlights commitments from the 2024 Rate Order regarding NPA development and reporting, hydrogen blending, biomethane interconnections and pricing, and methane leak detection surveys.

AGREE recommends that the Commission deny the Petition.[61] AGREE claims that granting the Petition would constitute a major change in the Companies' revenues and require the Commission to conduct a rate case before approving the Petition. AGREE states that, absent approval of the Petition and pursuant to the 2024 Rate Order, the Companies' RY 4 revenues would decrease to unlevelized RY 3 rates. AGREE argues that setting RY 4 rates to levelized RY 3 rates would increase RY 4 revenues by 5.4 percent for KEDNY and 4.4 percent for KEDLI as compared to the RY 4 revenue allowed by the 2024 Rate Order; and that this increase is greater than the 2.5 percent threshold for a major change. AGREE likewise claims that the requested deferrals and surcharge mechanisms contribute to the increase in revenues and ensures a major change in revenues beyond RY 4. In addition, AGREE argues that the requested deferrals do not meet the Commission's three-prong test to approve deferrals and should be rejected.

AGREE also claims that approving the Petition would violate the CLCPA because the Petition does not provide sufficient information for the Commission to analyze the

[60] EDF Comments (filed September 23, 2026), p. 3.

[61] AGREE Corrected Comments (filed September 24, 2026), p. 2.

Petition's emissions impacts or the Petition's impacts on disadvantaged communities. AGREE states that the Companies did not adequately respond to stakeholder requests for information on emissions impacts. Further, AGREE argues that the proposed capital projects at the Greenpoint LNG Facility would increase emissions by extending the lifespan of the facility. AGREE also opposes the Petition's proposal to reduce the ambition of the Companies' leak backlog targets.

AGREE states that, in the prior rate case, DPS Staff did not support full reconciliation of property tax deferrals.[62] AGREE also states that the cases the Companies cite in support of full reconciliation of the Surcharge were either rate cases or were otherwise distinct from this proceeding, and cannot justify authorizing the Surcharge.[63] Finally, AGREE argues that approving the Petition would set a bad precedent because it would lock in rate hikes after RY 4, allow for capital investment without the scrutiny of a rate case, prevent opportunities for stakeholders to shape utility investments, and overall "circumvent the rate case process."[64] AGREE asserts that the Companies incorrectly claimed that the Commission has granted similar petitions in the past, alleging that each of the Companies' citations to prior orders do not apply to the facts of this case.

PULP recommends that the Commission deny National Grid's Petition because it is not in the public interest and because the deferrals, surcharge, and rate extension proposed in the Petition will artificially raise rates and harm customers. [65]

---

[62] AGREE Corrected Comments (filed September 24, 2026), p. 27.

[63] AGREE Corrected Comments (filed September 24, 2026), p. 35.

[64] AGREE Corrected Comments (filed September 24, 2026), pp. 26-32.

[65] PULP Comments (filed September 23, 2026), pp. 1-2.

First, PULP claims that National Grid's proposed deferrals fail the three-prong test for deferrals. Second, PULP opposes the Petition's proposal to modify the Joint Proposal's agreement that rates will drop to unlevelized RY 3 rates after the end of RY 3. Third, PULP states that low-income customers cannot afford the higher, levelized RY 3 rates. Fourth, PULP argues that the deferrals proposed by the Petition exceed 2.5 percent of the Companies' aggregate revenues and that their approval outside of a major rate proceeding would "undermine" the intent of PSL §66(12)(c) and (f), which define "major change."

Fifth, PULP argues that approval of the surcharge to recover SIR costs without sworn testimony related to SIR costs or a full rate case proceeding goes against the Commission's order in Case 11-M-0034.[66] PULP opposes the Petition's proposed cost recovery for property taxes, city/state construction, and uncollectibles. Regarding property taxes, PULP notes Staff's opposition to a similar full reconciliation of property taxes in the 2023 rate case and claimed that, unlike in Case 14-G-0214, no extraordinary circumstance exist to justify the request for a surcharge.[67] PULP also references Staff's prior opposition to a city/state construction O&M true-up mechanism and an uncollectible expense reconciliation mechanism to support their own opposition to National Grid's proposal for such reconciliation mechanisms.[68]

---

[66] Case 11-M-0034, Review of SIR Costs, Order Concerning Costs for Site Investigation and Remediation (issued November 28, 2012) (SIR Order).

[67] PULP Comments, pp. 23-24 (referring to Case 14-G-0214, supra, Order Directing Investments and Allowing, in Part, Deferral Authority and Establishing a Surcharge (issued December 15, 2014)).

[68] PULP Comments, p. 26.

Finally, PULP opposes the proposed changes to LPP replacement and leak backlog targets, contending that the Petition undermines pipeline safety and environmental benefits associated with leak elimination without the public process of a full rate case.

In comments filed June 10, 2026, Sane questions whether the Petition "simply" defers costs for recovery in future rate periods. Sane requested that the "record clearly establish" the following: (1) a "Proof of Annual Revenue Statement" and actual operating expenditures for the 2025-2026 Heating Season; (2) a detailed description of the proposed capital expenditure tracker and planned gas supply and peak supply capital expenditures; (3) assurance that National Grid will bear any risk related to expenditures based on supply requirement calculations from previous rate cases; (4) an explanation of how costs will be deferred, tracked, and recovered, including the timing of bill impacts, as well as long-term bill impact modelling; (5) identification of all capital projects or programs included in the Petition; (6) a comparison the Companies proposal to alternatives, including energy efficiency, demand flexibility, NPAs, storage, and load management; (7) an explanation of how the proposal ensures transparency, prudence review, and meaningful Commission oversight over utility capital spending; and (8) a directive that National Grid must " avoid any gas system extensions that serve new loads during the rate freeze period."[69]

[69] Sane Comments (filed June 10, 2026) (Sane June Comments), pp. 1-2.

Sane filed two comments on August 27, 2026, and September 3, 2026, in support of UIU's August 14, 2026 motion.[70] The Commission will consider these filings both as comments on the Petition and as comments in support of the August 14, 2026 motion, which we address later in this Order. Sane states that approving the Petition may keep rates the same in RY 4 but would increase costs in future years, thus requiring additional public process and scrutiny.[71] Sane additionally states that the Petition proposes $60 million in capital investments into the Greenpoint LNG Facility. Sane claims that these investments must be scrutinized for need, alternatives, and cost prior to commencement of construction.[72]

LEGAL AUTHORITY

Under Public Service Law (PSL) §§65 and 66, the Commission exercises general supervision over all gas corporations in New York State, which includes the ability to regulate the terms under which gas corporations provide gas service to their customers and the authority to make ratemaking determinations.

DISCUSSION

The Companies seek our approval of their proposal to continue their current RY 3 tariff base delivery rates without change through RY 4, and other related measures described in the Petition. The Companies submitted the Petition in lieu of rate filings that the Companies state would have proposed bill

[70] Sane Comments in Support of UIU Motion (filed August 27, 2026) (Sane August Comments); Sane Comments in Support of UIU Motion (filed September 3, 2026) (Sane September Comments).

[71] Sane August Comments, p. 6.

[72] Sane September Comments, p. 3.

increases for RY 4 that would have exceeded the rate of inflation. Given the demonstrated need to address energy affordability, the Commission has a compelling reason to consider the Companies' proposal to maintain current rates. Throughout the past year, New York State and the Commission have prioritized legislative and regulatory initiatives to curb utility costs and help customers struggling to afford their utility bills. On May 28, 2026, Governor Hochul approved the Fiscal Year 2027 Budget, which included several measures to help customers meet their energy needs, such as utility rebate checks of up to $200 per eligible household and increased targets for spending on energy efficiency and beneficial electrification in disadvantaged communities.[73] The Fiscal Year 2027 Budget also made several affordability-related amendments to the PSL, which become effective January 1, 2027.[74] These amendments require the Commission and electric and gas utilities to develop annual Energy Affordability Indices; include affordability solutions in all major rate filings; and install "affordability monitors" at a utility if a change in rates results in a disproportionate energy burden.[75]

Several public comments support the affordability benefits of the Petition. The City states that it "supports efforts to address affordability concerns and appreciates that freezing utility rates, even for a year, could help address these concerns."[76] UIU recognizes that customers would benefit from holding rates steady.[77] AARP "agrees that stable rates are

[73] L. 2026, c. 59, Part FF; L. 2026, c. 58, Part VV.

[74] L. 2026, c. 58, Parts N, O, and P.

[75] PSL §§66-x, 66(12)(q), 66(33).

[76] CNY Comments (filed September 23, 2026), p. 2.

[77] UIU Comments (filed September 23, 2026), p. 3.

attractive."[78] Many of the public comments express concern about affordability and encourage a thorough review of the Companies' Petition, with one individual commenter stating that "holding utility rates steady is a practical and necessary step to protect consumers" and urging the Commission to approve the rate freeze.[79] It is clear from both the actions of the legislature and Governor and from the comments received on this Petition that affordability is of central importance in our review of this Petition.

In keeping with this directive, the Commission approves the Petition, as modified to reflect the corrections and updates filed by the Companies in their supplemental responses,[80] and with the additional modifications discussed herein, as it is in the public interest. Our action will allow the Companies to continue to operate the gas system safely and reliably while maintaining current rates without change during RY 4. This proposal provides immediate near-term rate stability in contrast to rate filings that would have sought higher rates for that same period. Our action in this Order therefore furthers efforts to address energy affordability concerns.

Continuing Existing Base Delivery Rates Without Change

The Commission authorizes the Companies' RY 3 base delivery rates, as determined in the 2024 Rate Order, to remain in effect without change through RY 4 and until modified by the Commission. This will allow the Companies to create regulatory liabilities equivalent to the levelization amounts reflected in

[78] AARP Comment (filed September 23, 2026), p. 8.

[79] Public Comment No. 414 (filed October 4, 2026).

[80] See, e.g., Response to DPS-001, Supplemental Attachments 1 and 8 (September 22, 2026); Supplemental Attachments 2 and 9 (September 29, 2026); Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

current RY 3 rates, as discussed below. The Companies shall use the 2024 Rate Order-authorized RY 3 revenue decoupling mechanism targets for the RY 4 period.[81] For clarity, should we not set new rates by April 1, 2028, the Companies shall continue to defer, as regulatory liabilities, the levelization amounts reflected in current RY 3 rates.

Several stakeholders incorrectly claimed that the Petition constitutes a major change under the PSL and therefore requires an evidentiary hearing. PSL §66(12)(f) states that the Commission may, upon notice, hold a hearing concerning the propriety of a rate change proposed by a utility company, and that "[i]f such change is a major change, the commission shall hold such a hearing." New York Supreme Court has held that a hearing concerning a major change "contemplates a full public hearing" in which "all interested parties must be permitted to call and cross-examine witnesses and to rebut adverse claims ...," analogous to the procedures under 16 NYCRR Parts 4 and 5.[82] PSL §66(12)(c) defines "major change" as "an increase in the rates and charges which would increase the aggregate revenues of the applicant more than ... two and one-half percent." The Commission has previously found that the major change assessment should focus on the change to the utility's annual revenues, not the change to customer bills or change

[81] 2024 Rate Order, Attachment 1 (Joint Proposal), Appendix 3, Schedule 7 (KEDNY) and Appendix 4, Schedule 7 (KEDLI).

[82] New York Tel. Co. v. Pub. Serv. Comm'n, 59 A.D.2d 17, 19 (N.Y. Sup. Ct. 1977).

spread over multiple years.[83] The Companies' rate freeze proposal would produce no change in revenues from RY 3 to RY 4. In years following RY 4, the change in revenue caused by the annual surcharge will be capped below the major change threshold, at 2.5 percent of the prior year's actual revenues.[84] Accordingly, neither the Companies' proposal nor the Commission's action in this Order effectuate a major change in the Companies' revenues.

Turning to the specific comments, PULP and AGREE suggest that a hearing is required because the deferrals proposed by the Petition will exceed 2.5 percent of the Companies' revenues.[85] However, as the Commission has previously stated, the deferral of costs for future recovery is not a present increase in rates; thus, the authorization of a deferral is not a change in rates and cannot constitute a "major change" in rates as that term is used in the PSL.[86] Deferred expenses may, in a future proceeding, be incorporated into the Companies'

---

[83] Case 24-G-0248, National Grid – Long-Term Gas System Plans, Order Denying Petitions for Rehearing (issued December 22, 2025), pp. 46-47; Case 12-E-0400, Cayuga Operating Co., LLC – Petition to Mothball Generating Units 1 and 2, Order Providing Clarification and Denying Petition for Rehearing (issued July 25, 2014), pp. 9-10 & n. 10 (clarifying that the major change determination focuses on annual revenue, not multi-year revenue) (note that, as explained infra, n. 92, the major change baseline methodology referenced in this case was not relevant to the decision and is dicta).

[84] The Commission has previously stated that changes capped at 2.5 percent do not trigger §66(12)(f). See, e.g., Case 14-E-0035, Village of Freeport – Minor Rate Filing, Untitled Order (issued July 25, 2014), pp. 1-2; Case 11-E-0537, Village of Fairport – Minor Rate Filing, Untitled Order (issued February 16, 2012).

[85] Corrected AGREE Comments, pp. 9-10; PULP Comments, pp. 14, 18.

[86] Case 17-M-0178, Orange & Rockland Utilities, Inc. – Program Advancement Proposal, Order Denying Petition (issued May 21, 2018).

rates. Such action would be subject to review and require a separate action by the Commission.

NRDC and AGREE state that, in determining whether the Petition constitutes a "major change," the Commission should use a methodology that compares projected revenues for RY 4 without the actions requested in the Petition, to RY 4 revenues with the actions requested in the Petition.[87] Under the 2024 Rate Order, RY 3 revenue is based on the levelized rates agreed upon for RY 3; however, if the Companies do not have new rates in effect by April 1, 2027, the 2024 Rate Order directs the Companies to file tariff amendments to apply rates reflecting the unlevelized revenue requirement for RY 3 starting April 1, 2027.[88] NRDC and AGREE contend that, to determine whether the Petition proposes a major change, we should use the unlevelized RY 3 revenue requirements as a baseline for comparison, as those reflect the Companies' revenues during RY 4 absent Commission action. NRDC and AGREE state this comparison would result in a revenue increase of greater than 2.5 percent. To support their argument, NRDC and AGREE refer to past Commission decisions that they contend support the use of the methodology they propose here.[89] One individual commenter, while not stating a preference for a particular baseline approach, requests that the Commission

[87] NRDC Comments, p. 5; Corrected AGREE Comments, pp. 7-8.

[88] 2024 Rate Order, p. 46; 2024 Rate Order, Attachment 1 (Joint Proposal), p. 12.

[89] NRDC Comments, p. 5 (citing Case 12-E-0400, Cayuga Operating Co., LLC – Petition to Mothball Generating Units 1 and 2, Order Providing Clarification and Denying Petition for Rehearing (issued July 25, 2014), pp. 9-10 and n. 10, and 2015 Con Edison Order, p. 31 & n.14); AGREE Comments, p. 6 (citing Case 14-E-0267, Village of Fairport – Minor Rate Filing, Order Determining Revenue Requirement and Rate Design (issued October 24, 2014), pp. 1-2).

carefully examine the revenue impacts of the Petition and make an explicit determination concerning the major change issue.[90]

The PSL does not require a particular baseline for the determination of major change. Orders and rulings in previous Commission proceedings have taken a variety of approaches to the major change calculation, with one ALJ ruling even inviting the utility company to suggest its own methodology.[91] Contrary to commenters' assertions, the Commission has not yet issued guidance for how to assess whether a rate plan extension petition constitutes a major change.[92] NRDC cites the 2015 Con Edison Order as supporting NRDC's proposed methodology for assessing whether a request to increase revenue constitutes a

[90] Public Comment No. 240 (filed Sept. 24, 2026).

[91] See, e.g., Case 07-E-0479, NYSEG – Tariff Filing, Procedural Ruling (issued May 30, 2007) ("[T]he Company is invited to provide any alternative calculation it desires and to argue why its alternative is a better calculation for evaluating a change under PSL §66(12)."); Case 03-C-1058, MCI WorldCom Communications – Rates, Order Approving Jurisdictional Portion of Rate (issued October 30, 2003) (using prior year revenue as a baseline); Case 12-E-0577, Repowering Alternatives to Utility Transmission Reinforcements, Order Addressing Repowering Issues and Cost Allocation and Recovery (issued June 13, 2014), pp. 20-22 (using projected same year revenue as a baseline).

[92] NRDC cited footnote 10 in Cayuga Operating Co. for the proposition that major change "must be measured against the utility's projected revenues for *that same year*" (emphasis added). Case 12-E-0400, supra, Order Providing Clarification and Denying Petition for Rehearing (issued July 25, 2014), n. 10. However, this proposition was not relevant to the issue in the case, which related to whether a multi-year change in revenue caused by NYSEG's payments to generators constituted a major change, rather than change in a single year, and is dicta. Further, NYSEG was in the midst of a rate freeze at this time, and so the revenue in the year in question was the same as the revenue in the prior year.

major change.[93] However, the 2015 Con Edison Order does not make clear whether it is measuring the revenue requirement increase against the aggregate revenue in future period in which the revenue increase would occur or against aggregate revenue during a recent past period, nor does it set forth a policy for this assessment going forward. Further, as NRDC acknowledges, "the facts are not identical" to the facts of KEDNY and KEDLI's rate extension Petition.[94] In that proceeding, Con Edison initially filed a major rate case requesting an increase to its revenue requirement. Indeed, the 2015 Con Edison Order addresses Con Edison's overall revenue requirement for its then-upcoming rate year, calendar year 2016. In contrast, this case does not contemplate changes to the Companies' revenue requirements and instead only addresses certain discrete costs through deferrals and a limited surcharge. Thus, the 2015 Con Edison Order does not establish the clear policy that NRDC ascribes to it, and, in any event, that 2015 Con Edison Order does not control here.

We find that a rate plan extension, such as this one, which does not change rates for a period, RY 4, as compared to the immediately preceding period, RY 3, cannot constitute a major change within the meaning of PSL §66(12)(c). On its face, the proposal cannot trigger the 2.5 percent increase that PSL §66(12)(c) intended to encompass because there is no change in rates; thus, it is unnecessary to require the Companies to present a more in-depth analysis of "major change" for such a petition. Allowing petitions that produce no change in rates to proceed without a hearing is squarely within the Commission's authority under PSL §66. Our finding that rate plan extension petitions are not "major changes" accords with PSL §66's mandate

[93] 2015 Con Edison Order, p. 34 (finding that an increase in revenues of 0.75 percent does not constitute a major change).

[94] NRDC Comments, p. 7.

that the Commission ensure that rates are just and reasonable, because it promotes rate stability and avoids the expense of major rate cases when they are not needed. This approach is also consistent with past orders that extended rate plans and postponed new rate filings when doing so is in the public interest, such as our order in Case 26-G-0304, which authorized National Fuel Gas Distribution Corporation's proposed reconciliation mechanism to delay its next request for a rate increase.[95] Because the proposed surcharge to collect property taxes imposed by local governments and SIR expenses beginning April 1, 2028, is explicitly limited to 2.5 percent of the prior year's revenues, that surcharge also does not constitute a "major change."

NRDC expressed concerns that a methodology that compares current rates to future rates would make the major change determination hinge in part on when the Companies file rather than on the revenues customers pay during the period the Petition governs.[96] The Commission disagrees with NRDC's characterization of our approach to the major change determination in this case: under our approach, the major change determination does not depend on when the Companies file. Rather, we find that rate plan extensions that continue, without

[95] Case 26-G-0304, National Fuel Gas - System Modernization Tracker Reconciliation Mechanism, Order Authorizing a System Modernization Tracker Reconciliation Mechanism (issued August 17, 2026); Cases 04-G-0718 & 00-G-1858, National Fuel Gas – Rates, Order Canceling Rate Schedule Amendments and Continuing Low Income and Competitive Market Programs (issued September 28, 2004), pp. 3-4 ("No rate increase is required and there is no "major change" in rates within the meaning of PSL §66(12)(f)(.") (the major change finding in this case was affirmed by New York Supreme Court in 792 N.Y.S.2d 828, 832 (N.Y. Sup. Ct. 2005)).

[96] NRDC Comments, p. 8.

change, the rates charged from the last year of the rate plan do not constitute a major change.

AGREE states that treating the Petition as a non-major change would "fly in the face of the Legislature's intent to protect ratepayers from unexamined rate hikes."[97] However, AGREE ignores that the Companies' revenues produced from their base delivery rates will not change at all from RY 3 to RY 4 as a result of this Order. To the contrary, and as discussed above, approval of the Petition addresses gas customers' affordability concerns while allowing for timely system improvements necessary for safe and reliable service. Additionally, the language of PSL §66(12) makes clear that the legislature did not intend for all utility filings to trigger an evidentiary hearing; only the changes that exceed the 2.5 percent threshold warrant such lengthy and expensive procedures. A case that keeps rates steady from the prior year is exactly the type of case that can and should be reviewed in a notice and comment proceeding.

Finally, although AARP does not challenge whether the Petition constitutes a major change, its comments urged the Commission to use its discretionary authority to hold a hearing on the Petition to create additional transparency and opportunities for stakeholder participation.[98] NRDC and NYCP made similar comments requesting that the Commission conduct a full rate proceeding because it goes beyond a limited rate adjustment.[99] The Commission's decision not to exercise its discretionary authority to hold a full evidentiary hearing in this case is in accordance with the PSL and especially warranted

[97] Corrected AGREE Comments, p. 11.

[98] AARP Comments, p. 8.

[99] NRDC Comments, p. 9; NYCP Comments pp. 2, 13.

given the benefits of adopting the Petition to address the affordability concerns described above.

In addition to the levelized rates from RY 3, the initiatives, programs, terms, and commitments from the Joint Proposal, as modified by the 2024 Rate Order, continue in effect unless expressly modified by this Order or otherwise scheduled to change following the end of RY 3 per the 2024 Rate Order. EDF filed comments urging the Commission to specify that the Companies are obligated to fulfill ongoing commitments from the 2024 Rate Order related to NPAs, hydrogen, biomethane, and methane leak detection.[100] The Commission affirms that the Companies must continue to abide by these provisions and all others as specified in the Joint Proposal adopted by the 2024 Rate Order.

Levelization Deferral

The Commission authorizes the Companies to create regulatory liabilities, or monies owed to customers, equal to the levelization amounts in current rates of approximately $161.936 million for KEDNY and $86.137 million for KEDLI. The Commission finds reasonable the Companies' proposal to continue the current RY 3 rates and to create a regulatory liability in the amount of the levelization because it will allow the Companies to continue to enhance the safety and reliability of their natural gas systems, without creating an immediate rate impact for customers. The levelization deferral will likely more than offset the regulatory assets proposed within the Petition, including the regulatory assets associated with new capital investments, uncollectible expense, and KEDNY's city/state construction O&M expenses, which the Companies forecast will be $150.267 million for KEDNY and $64.382 million

[100] EDF Comments (filed September 23, 2026), pp. 4-5.

for KEDLI. The net regulatory liabilities at the end of RY 4 are projected to be $11.668 million for KEDNY and $21.754 million for KEDLI.[101] Any remaining regulatory liabilities can be used to partially offset future rate increases.

PULP contends that the Companies failed to justify the proposed regulatory liabilities and that the regulatory liabilities would artificially inflate rates.[102] As previously discussed, the Commission finds the regulatory liabilities reasonable as they will enhance the stability and predictability of rates, fully offset the capital investment needed in RY 4, and partially offset future rate increases. As such, the Companies' proposed levelization deferral is in the public interest and is thus approved.

Net Plant Tracker

The Commission authorizes the Companies to defer for future recovery from customers up to $94.141 million associated with the return on actually incurred RY 4 net utility plant and depreciation expense (revenue requirement) for KEDNY and up to $61.949 million associated with the return on actually incurred RY 4 net utility plant and depreciation expense for KEDLI. These "up to" amounts, or caps, reflect the difference between the 2024 Rate Order's authorized net plant and associated depreciation expense targets in RY 3 and the forecasted net plant and depreciation expense targets in RY 4 established in this Order.[103]

[101] Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

[102] PULP Comments, p. 6.

[103] KEDNY and KEDLI's RY 3 and Commission-authorized RY 4 net plant and depreciation expense targets and revenue requirement caps are shown in Appendix A.

Additionally, the Commission authorizes the Companies to modify their existing one-way net plant trackers to two-way tracking mechanisms, limited at the RY 4 net plant and depreciation expense targets established in this Order. Appendix B shows an illustrative example of this mechanism. The two-way Net Plant Trackers will operate in the same manner as the existing one-way trackers and will retain the current City/State Construction Net Plant and Customer Connection Net Plant tracker provisions established by the 2024 Rate Order. The two-way mechanisms will also retain the 90/10 city/state construction and customer connection sharing mechanism, as shown in Appendix B.

Lastly, each Company's RY 4 Net Plant Tracker reconciliation mechanism will be separate from their one-way reconciliation mechanisms for RY 1 through RY 3 established in the 2024 Rate Order. Per the 2024 Rate Order, if, at the end of RY 3, the cumulative deferral of revenue requirement associated with net plant and depreciation expense is negative for RY 1 through RY 3, the Companies will defer that difference and use it to reduce the RY 4 revenue requirement impact associated with RY 4 net plant and depreciation expense targets. In the event the cumulative revenue requirement balances at the end of RY 3 is positive, there will be no deferral, because the Net Plant Tracker in the current rate plan is one-way only.

The Commission finds that deferral of the incremental RY 4 revenue requirement associated with net plant and depreciation expense and the conversion of the current one-way Net Plant mechanisms to two-way Net Plant Trackers is reasonable because these proposals enable the Companies to maintain RY 3 rates while allowing for future recovery of necessary incremental capital expenditure costs that exceed the RY 3 net

plant and depreciation expense targets.[104] The caps on net plant and depreciation expense caps protect ratepayers by incentivizing the Companies to control costs associated with capital expenditures.

The Commission notes that the amounts placed into deferral will remain subject to audit in a future rate proceeding. Further, any remaining capital expenditure investments with financial impacts extending beyond RY 4 can be reviewed and scrutinized during future rate case proceedings.

Capital Investment Plan

The Companies' capital expenditure proposal, as updated by National Grid's supplemental responses to information requests,[105] consists largely of investments reviewed and included in the capital expenditure budgets adopted in the 2024 Rate Order as necessary for ensuring gas system safety and reliability, with overall RY 4 capital expenditures driven by LPP and city/state construction programmatic work. The Commission finds that the Companies provided comprehensive information regarding the Petition's capital expenditure proposal for projects and programs that impact Net Plant in RY 4, the planned investments necessary to maintain system safety and reliability, supporting construction details that justify the need for identified projects and programs with cost impacts above $1 million in RY 4, and workpapers that detail the Companies' forecasting methodologies.

[104] The two-way tracker is necessary because the 2024 Rate Order does not provide for deferral of costs associated with incremental capital expenditures beyond the end of RY 3.

[105] Response to DPS-001, Supplemental Attachments 1 and 8 (September 22, 2026); Supplemental Attachments 2 and 9 (September 29, 2026); Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

Following the initial review of the capital expenditure proposals impacting RY 4, Staff identified inaccuracies in the calculation and application of inflation rates for RY 2, along with other minor computational errors in the forecasting of costs for some project proposals.[106] The Companies addressed these errors in the first supplemental response regarding its capital expenditure proposal, submitted on August 11, 2026.[107] After subsequent review of the overall capital expenditure proposal, Staff identified additional calculation and forecasting discrepancies. The Companies revised the capital expenditure forecasts in additional supplemental responses on September 22, 2026, for KEDNY, and September 29, 2026, for KEDLI, which addressed the remaining errors that Staff identified during its review process. These cost changes were incorporated into updated RY 3 forecasts and escalated to RY 4 using inflation. Throughout this process, Staff held technical meetings with the Companies solely to ensure that Staff correctly interpreted the provided information and that the Companies understood the identified errors and necessary corrections.

The Companies' revisions to the capital expenditure forecasts resulted in gas system Net Plant in RY 4 of approximately $1.084 billion and $644.159 million for KEDNY and KEDLI, respectively.[108] KEDNY's revisions reflect a decrease of approximately $18.379 million from its initial forecast of $1.103 billion in capital expenditures. Similarly, KEDLI's

[106] Response to DPS-001, Company Workpapers (June 25, 2026).

[107] Response to DPS-001, Supplemental Company Workpapers (August 11, 2026).

[108] Response to DPS-001, Supplement Attachment 8 (KEDNY) (September 22, 2026), Attachment 9 (KEDLI) (September 29, 2026).

revisions reflect a decrease of approximately $21.033 million from its initial forecast of $665.193 million in capital expenditures. The final forecasts of capital expenditures for both Companies correct for known calculation and forecasting errors and include updated forecasts based on observed increases in labor, material, paving, and other embedded cost elements.

In the 2024 Rate Order, we addressed the vast majority of the Petition's proposed capital programs and projects, including 96.1 percent of KEDNY's proposed capital budget and 95.7 percent of KEDLI's proposed capital budget. In reviewing this Petition, we verified that the investments are still necessary for the Companies to provide safe, adequate, and reliable service.

Approximately $42.180 million of KEDNY's total RY 4 proposed expenditures, or 3.9 percent, and $27.853 million of KEDLI's total RY 4 proposed expenditures, or 4.3 percent, were not explicitly outlined within the 2024 Rate Order. Out of this forecasted spending, $26.563 million for KEDNY and $24.871 million for KEDLI pertains to projects associated with existing programmatic initiatives, including main upgrades, meter replacements, and the installation of remote control valves. The remaining $15.616 million, or 1.4 percent of KEDNY's total RY 4 capital budget, and $2.982 million, or 0.5 percent of KEDLI's total RY 4 capital budget, pertains to proposed projects outside existing programmatic initiatives. We conclude that these projects are necessary for maintaining system safety and reliability and complying with regulatory requirements. For example, the Newtown Creek Crossing Relocation project is needed to reconnect KEDNY's gas system with a metering station relocated by Consolidated Edison Company of New York, Inc., and the Auxiliary Power Unit Project at Greenpoint LNG Facility

satisfies the New York City Fire Department's fire safety requirements for the site, as explained more fully below.

Several stakeholders raised concerns regarding the Petition's capital investment plan. The Synapse Report provided by NRDC suggests that the Petition deviates from sound ratemaking practices and that the process has not allowed for a comprehensive review of capital projects by regulators or the public.[109] Similarly, NYCP contends that proposed capital spending "of this size" should be reviewed in a full rate case.[110] The City emphasizes the importance of public process given that, it claims, the Petition increases both Companies' capital expenditure forecasts by nearly 12 percent for RY 4 as compared to RY 3.[111]

Sane also argues that stakeholders have not had a meaningful opportunity to understand and evaluate the significant costs for which National Grid is seeking recovery. Sane states that the Petition lacks the necessary materials to support the Companies' proposal, especially as related to investments at the Greenpoint LNG Facility located within a disadvantaged community.[112]

The Commission finds that it has sufficiently reviewed the Companies' capital expenditure proposal within this proceeding and that the vast majority of the capital expenditures were addressed in the 2024 Rate Order. As explained above, a full evidentiary hearing is not required in this case and would cause unnecessary expense and delay. The City's contention that the Petition increases both Companies'

[109] NRDC Comments, Synapse Report, pp. 3, 8, 19.

[110] NYCP Comments, p. 3.

[111] City Comments (filed September 23, 2026), p. 9.

[112] Sane September Comments, p. 2

capital expenditures forecasts is inaccurate: while this is true of KEDNY's capital proposal, KEDLI's total RY 4 capital expenditure proposal of $644.159 million is roughly 11.7 percent less than the Commission approved RY 3 capital budget of $729.318 million set forth in the prior rate plan.[113]

The Commission disagrees with the contentions of NRDC and Sane and concludes that the process here has been transparent and included necessary and appropriate scrutiny of fossil fuel infrastructure investments, namely those identified investments at the Greenpoint LNG Facility. Out of the eight projects identified by Sane in its comments, seven projects were addressed in the 2024 Rate Order, which the Commission adopted after a hearing. Only one of the projects identified by Sane, "LNG – Auxiliary Power Units," was not addressed in the 2024 Rate Order. The Commission finds that the addition of this project to KEDNY's capital portfolio is necessary to satisfy fire safety requirements at the site. National Grid states it included this project in KEDNY's capital portfolio following the results of an on-site inspection of the facility by the New York City Fire Department (FDNY). In a letter dated July 21, 2021, the FDNY stated that KEDNY needed to provide a source of backup power for the Saltwater Pump House and hydrant and deluge systems to power the pumping for fire protection.[114] According to National Grid, this was "a fundamental change in the facility's power, resiliency, and fire protection requirements."[115] In response, KEDNY developed the proposed Auxiliary Power Unit Project, which provides a dedicated

[113] Response to DPS-001, Supplemental Attachment 8 (KEDNY) (September 22, 2026); Supplemental Attachment 9 (KEDLI) (September 29, 2026).

[114] Response to DPS-064; Response to DPS-064, Attachment 1.

[115] Response to DPS-064.

alternate power solution with a 6-MW natural gas generator. This generator is capable of supporting critical LNG facility loads, including the Saltwater Pump House, addressing FDNY's expectations for the Company's fire protection systems.

Turning to the Companies' overall capital expenditure forecasts, we reviewed National Grid's revised capital expenditure forecasts for those investments impacting RY 4 in this Petition to be reasonable and find them to be in the public interest at this time. The Companies' capital expenditure proposal, as updated by the supplemental responses, address the infrastructure investment needs and commitments identified in the 2024 Rate Order based on information provided during that rate proceeding, substantiate the Companies' existing needs to meet reliability and safety concerns through updated project and program costs, and aim to support rate stability and affordability for customers.

Our action authorizing the Companies to establish regulatory assets related to implementing their proposed RY 4 capital program, as corrected, reflects updated capital budgets that allow for continued work on projects and programs the Commission addressed in the 2024 Rate Order, while avoiding unnecessary costs and delays associated with a full evidentiary hearing. Much of the work identified in the Companies' capital plan, including their city/state construction, LPP, and system reliability proposals, is required by existing law in order to ensure safe and reliable service to customers. KEDNY's updated capital budget has increased mainly due to current market conditions including labor and paving costs, the expiration of New York City's direct reimbursement obligations for portions of city/state construction costs, and the acquisition and cost of materials. The updated capital budget for KEDLI has decreased, driven largely by lower RY 4 forecasts for identified pipeline

integrity work in KEDLI's mandated category. Additionally, the Companies' RY 4 capital program will allow them to make capital improvements necessary to maintain safe and reliable service and to advance key Commission policy goals, such as continuing reductions in GHG emissions. Accordingly, we authorize the Companies to establish regulatory assets associated with the Companies' capital programs in accordance with the discussion contained herein.

The revised capital expenditure proposal included in the Petition, as modified via supplemental updates, amount to an overall capital budget level of approximately $1.084 billion and $644.159 million in RY 4 for KEDNY and KEDLI, respectively. For the reasons outlined above, the Commission finds the modified RY 4 capital budgets to be in the public interest and approves them.

City/State Construction O&M Expense

The expiration of the cost sharing agreement between KEDNY and New York City ended the City's reimbursement of city/state construction costs and eliminated fixed City-managed construction rates. As such, the Companies forecast significantly higher city/state construction O&M expenses than the amount built into rates under the existing rate plan. For example, as of September 30, 2026, or six months into RY 3, KEDNY already incurred $9.884 million of city/state construction O&M expense, which is more than three times as much as its $3.059 million rate allowance for all of RY 3.[116] Similarly, KEDNY forecasted approximately $30.861 million of costs for RY 4, which is ten times the RY 3 rate allowance.[117] KEDNY requests authorization to defer RY 4 city/state construction O&M

[116] Response to DPS-058, Attachment 1.

[117] Response to DPS-016, Attachment 2.

expense with a cap of $27.803 million, which is the difference between the total forecasted expenses in RY 4 and the RY 3 allowance of $3.059 million.[118]

The substantial increase in city/state construction costs is largely outside of KEDNY's control. KEDNY identifies the expiration of the cost sharing agreement as the primary driver in increased costs: not only will KEDNY no longer be reimbursed for city/state construction costs by the City, the Companies must now negotiate costs that the agreement had fixed below market value, exposing the city/state construction program to market pressures.[119]

Given the benefits of freezing rates for an additional year and the expectation of significantly higher city/state construction O&M expenses for KEDNY as compared to the start of the current rate plan, the Commission finds the proposal reasonable and authorizes KEDNY to defer 100 percent of variance between the RY 3 allowance for city/state construction O&M expenses and actual RY 4 city/state construction O&M expenses incurred, up to $27.803 million.

Property Taxes

Pursuant to the 2024 Rate Order, the Companies defer any difference between the rate allowance and actual property tax expense, excluding the effects of tax refunds, for future refund to or recovery from customers. Ratepayers and shareholders share the difference 90 percent/10 percent, respectively, with shareholder's portion capped at 2.5 basis

[118] Response to DPS-016.

[119] Response to DPS-016.

points.[120] The Petition requests that, instead, the Companies defer 100 percent of the difference between actual and allowed property tax expense for RY 4. The Commission approves this change as reasonable given the Companies' limited control over property taxes, the substantial under-recovery projected for property taxes under the current rate plan, and the specific circumstances and concomitant benefits of authorizing this rate plan extension. For clarity, this 100 percent reconciliation is in effect solely for RY 4 and does not continue thereafter.

Several stakeholders argued against modification of the property tax sharing mechanism. The City and the Synapse Report provided by NRDC state that allowing the Company to reconcile 100 percent of the variance in actual versus allowed property tax expense would weaken the Companies' incentive to control property taxes.[121] PULP and AGREE express concerns that the Companies propose to modify the property tax sharing mechanism adopted in the 2024 Rate Order outside of a major rate proceeding and in a manner inconsistent with past treatment of property taxes in other rate orders.[122] Also, UIU suggests that the Commission impose a cap on the amount of property taxes that the Companies may defer.[123]

The Commission agrees with the City, PULP, AGREE, and the Synapse Report provided by NRDC that it has a long history of approving property tax reconciliations that share the

---

[120] 2024 Rate Order, Attachment 1 (Joint Proposal), Appendices 6 and 7, Schedule 5. 2.5 basis points of return on common equity equates to approximately $1.449 million for KEDNY and $0.935 million for KEDLI.

[121] City Comments (filed September 23, 2026), p. 2; Synapse Report, pp. 13-14.

[122] PULP Comments (filed September 23, 2026), pp. 23-25; Corrected AGREE Comments (filed September 24, 2026), pp. 10, 27.

[123] UIU Comments (filed September 23, 2026), p. 4.

variance between the rate allowance and the actual expense incurred. While the Commission recognizes that property taxes are largely beyond a utility's control, sharing mechanisms incentivize a utility to manage or reduce expenses when possible.[124] The Companies have historically sought to minimize property taxes by reviewing the assessed value of their property, protesting valuations where appropriate, and filing for economic and functional obsolescence.[125] However, the Commission has also approved full reconciliations in unusual times or when warranted by extenuating circumstances.[126] Given the ratepayer benefits of maintaining existing rates without change for RY 4, the short duration of full reconciliation we adopt here, and the maintenance of incentives for the Companies to minimize property taxes, the Commission finds that full reconciliation is warranted under these circumstances.

UIU suggests that ratepayers' portion of the property tax reconciliation should be capped.[127] Because property taxes will be collected through the Surcharge approved above, annual recovery of these costs will be capped at 2.5 percent of the prior year's revenue. Additional limiting of the reconciliation is not necessary for the reasons stated above.

Uncollectible Expense

The Commission approves National Grid's proposal to establish a tracking mechanism for uncollectible expenses that

[124] 2024 Rate Order, pp. 156-157; see also Case 08-E-0539, supra, Order Setting Electric Rates (issued April 24, 2009), pp. 106-107.

[125] Response to DPS-002, Attachments 1-6; Response to DPS-065, Attachment 1.

[126] See, e.g., Case 08-E-0539, Consolidated Edison Company of New York, Inc. – Rates, Order Setting Electric Rates (issued April 24, 2009).

[127] UIU Comments (filed September 23, 2026), p. 4.

defers 80 percent of any under-recovery of uncollectibles expense and 100 percent of any over-recovery of uncollectibles expense for RY 4.

The Companies expect uncollectibles expense to increase in RY 4. To mitigate this expense, the Companies have expanded customer outreach efforts, using text message and email campaigns to prevent customers from entering arrears, as well as providing reminders before late payment charges are assessed and before a customer defaults on a deferred payment agreement.[128] The Companies also updated their messaging for automated outbound calling programs focused on collections and use a direct phone outreach option for residential customers with high arrears balances.[129]

Despite these efforts, the Companies' uncollectible expense remains significantly higher than anticipated compared to the levels reflected in the 2024 Rate Order.[130] The Companies under-recovered uncollectible expense in RY 1 and RY 2 by $11.686 million and $29.371 million for KEDNY and $1.806 million and $1.810 million for KEDLI.[131] The Companies expect to under-recover such costs in RY 3 as well. As of September 2026, or six months into RY 3, KEDNY had already incurred $29.033 million of uncollectibles expense, or roughly 134 percent of its rate

[128] Response to DPS-060.

[129] Response to DPS-060.

[130] Case 91-M-0744, Proceeding to Examine the Collection Practices of the Major Gas and Electric Utilities, KEDNY and KEDLI Monthly Collections Reports for April 2025 (filed May 15, 2025); Case 91-M-0744, supra, KEDNY and KEDLI Monthly Collections Reports for September 2026 (filed October 15, 2026).

[131] Response to DPS-006, Supplemental Attachment 1.

allowance, and KEDLI had already incurred $7.448 million, or roughly 65 percent of its rate allowance.[132]

AGREE, as well as the Synapse Report provided by NRDC, oppose the proposed tracking mechanism for uncollectibles, stating that the Companies' proposal will allow the Companies to recover costs they would not receive under the current rate plan.[133] Additionally, UIU suggests that the Commission impose a cap on the deferral of uncollectibles from ratepayers.[134] We find that the Companies' proposal to defer uncollectibles expense for future recovery is justified because the current rate allowance for uncollectibles, which was based on data from several years ago, is far below the amount anticipated for RY 4. Given the proposed 80 percent sharing of any under-collections, the imposition of a cap is unnecessary as the Companies are appropriately incentivized to reduce their uncollectible expense.

Given the Companies' commitment to collection activities, the persistent high uncollectible rates in recent years, and the Companies' proposal to freeze rates at the RY 3 level without change to address affordability concerns, the Commission finds the uncollectible proposal reasonable and therefore approves the Companies' request for an uncollectible tracking mechanism.

Deferral Treatment

As explained in various sections throughout the Petition, this Order approves new or modified deferrals for property taxes, city/state construction O&M expenses, and uncollectibles expenses. Stakeholders, including AGREE and

[132] Response to DPS-058.

[133] Synapse Report, pp. 17-18; Corrected AGREE Comments (filed September 24, 2026), p. 10.

[134] UIU Comments (filed September 23, 2026), p. 4.

PULP, oppose the proposed deferral treatment, stating that these are ordinary costs that do not qualify for deferral under the Commission's three-prong test for deferred accounting.[135]

The Commission finds that the three-prong deferral accounting test, which we use to assess deferral treatment for costs that a utility has already incurred, does not apply to this forward-looking Petition. Because the Companies are requesting deferral treatment for future costs, they are not constrained by the general guidelines of a deferral petition. The Commission regularly authorizes deferral of future expenses without applying the three-prong test.[136] As such, and for the reasons discussed in the specific expense sections above, deferral treatment is appropriate in this proceeding.

PULP and AGREE further note that, in the prior rate case for the Companies, Staff opposed the proposed reconciliations for property taxes and uncollectibles expense in testimony.[137] Staff's opposition to the proposed reconciliations

---

[135] PULP Comments (filed September 23, 2026), pp. 4-5; Corrected AGREE Comments (filed September 24, 2026), pp. 12-15.

[136] See, e.g., Cases 21-G-0237 and 16-G-0257, National Fuel Gas – System Modernization Tracker, Order Addressing Amendment to the System Modernization Tracker (issued August 13, 2021), p. 8 (allowing deferral of LPP replacement costs above surcharge limit); Case 14-G-0214, supra, Order Directing Investments and Allowing, in Part, Deferral Authority and Establishing a Surcharge (issued December 15, 2014) (allowing deferral of capital investments); Cases 21-E-0629 et. al., Advancement of Distributed Solar, Order Providing Clarification (issued September 24, 2024) (authorizing utilities to defer costs to implement Statewide Sun For All program); Case 24-W-0431, Veolia Water – Petition to Reset/Forgive Incremental Customer Arrears Balances and Implement a Surcharge, Order Authorizing Arrears Relief and Establishing a Surcharge Mechanism (issued January 26, 2026) (authorizing deferral of waived arrears).

[137] PULP comments (filed September 23, 2026), pp. 24-26; Corrected AGREE comments (filed September 24, 2026), p. 27.

was based on the particular information and facts available on the record for the forecasted rate year, equivalent to RY 1 of the current rate plan. Absent atypical economic circumstances, both Staff and the Company can reasonably forecast expenses for a given rate year, thus minimizing the impact of an inaccurate forecast to both ratepayers and shareholders such that a reconciliation would be needed.[138] PULP asserts that reconciliation mechanisms should not be needed in this case because the Petition is also addressing a single year – RY 4 - for which forecasts should be accurate.

In this proceeding, however, neither the Commission nor the Companies are updating the RY 3 rate allowances based on new forecasts or information. In place of such an update, the reconciliation mechanisms are appropriate. The commitment to freeze rates at the RY 3 level to address affordability concerns, despite the expectation of significantly higher actual costs for property taxes, city/state construction expenses and uncollectible expenses, means that the Companies' requests for reconciliation and deferral of variances in those costs compared to the levels used to set RY 3 rates are reasonable.

Leak-Prone Pipe Removal Targets

The Commission approves the LPP removal targets proposed by the Companies for 2027: for KEDNY, a minimum target of 46 miles of LPP and a budgeted target of 51 miles of LPP, and, for KEDLI, a minimum target of 121 miles of LPP and a budgeted target of 123 miles of LPP. The 2024 Rate Order did not explicitly establish targets for LPP removal following the end of RY 3. Although the proposed targets represent small reductions from the amounts approved for calendar year 2026 by

[138] Cases 23-G-0225 and 23-G-0226, supra, Staff Revenue Requirements Panel Testimony (filed September 1, 2023) (2023 SRRP), pp. 64, 81.

the 2024 Rate Order, they are squarely within the range authorized for all three years, as shown below in Table 1. Continuing the LPP targets at the 2026 levels would require additional capital investment, especially as LPP inventory declines.[139] The Commission finds the reduced targets reasonable because they maintain levels of environmental and safety benefits consistent with the 2024 Rate Order while alleviating affordability concerns.

Table 1. LPP Removal Targets and Actuals

KEDNY				
	RY 1	**RY 2**	**RY 3**	**RY 4 (proposed)**
Budgeted Removal Targets (miles)	45	51	56	51
	CY 2024	**CY 2025**	**CY 2026**	**CY 2027 (proposed)**
Minimum Removal Targets (miles)	40	46	51	46
Actual Removal (miles)	57	53.1	N/A	N/A
KEDLI				
	RY 1	**RY 2**	**RY 3**	**RY 4 (proposed)**
Budgeted Removal Targets (miles)	119	126	134	123
	CY 2024	**CY 2025**	**CY 2026**	**CY 2027 (proposed)**
Minimum Removal Targets (miles)	114	121	129	121
Actual Removal (miles)	121.5	127.2	N/A	N/A

PULP opposes the Petition's proposals to modify LPP removal targets, emphasizing that the current rate plan's LPP removal requirements were determined "through the evidentiary

[139] Response to DPS-010.

process" with testimony, a hearing, and cross-examination in the last rate case.[140] NYCP and NRDC state that, before authorizing any of the Companies' proposed LPP removal capital expenditures, the Commission should review additional information from the Companies, including the Distribution Integrity Management Plans, leak history, segment-level risk, NPA suitability, repair or re-lining options, expected useful life, future gas utilization, and comparative customer cost, in order to avoid locking customers into capital expenditures that could have been avoided.[141] NRDC and NYCP further comment that LPP removal programs are especially capital-intensive, representing nearly 40 percent of forecasted spending overall in RY 4, and may not deliver risk reductions commensurate with their cost.[142] NYCP states that the Companies denied NYCP's requests to provide the Distribution Integrity Management Plans or other leak-related information.[143] NYCP also provides data from the Companies' Annual Gas Safety and Capital Reports that it claims show that KEDNY and KEDLI's spending on LPP removal does not result in commensurate reductions in leaks.[144]

Although PULP suggests that the Companies' proposed targets are inconsistent with the targets adopted through an evidentiary process in the last rate case, the Companies' proposed targets for removal are squarely within the range of

[140] PULP Comments (filed September 23, 2026), p. 32.

[141] NRDC Comments (filed September 24, 2026), pp. 12-16; NYCP Comments (filed October 5, 2026), pp. 3-4.

[142] NRDC Comments (filed September 24, 2026) (citing the 2025 New York State Energy Plan, Volume II, Natural Gas (2025) and The Future of Heat Initiative, Spending and Safety Outcomes in U.S. Gas Distribution Systems (July 2026)); NYCP Comments, pp. 4-5.

[143] NYCP Comments, pp. 4-6.

[144] NYCP Comments, pp. 8-12.

targets adopted in the 2024 Rate Order, as shown in Table 1.[145] Adopting targets outside this range, as NRDC and NYCP seem to advocate, would be inconsistent with the 2024 Rate Order. While a future rate proceeding may offer opportunities to further explore additional data related to risk, cost-effectiveness, and alternatives for these programs, this rate extension Petition declines further modification of the targets without the procedure of a full rate case.

In accepting the minor reduction from 2026 levels, the Commission heavily weighs customer affordability concerns and the cost of the LPP removal program. Furthermore, the Commission has consistently advanced programs to remove LPP from gas systems across New York State. Such programs increase safety and reduce emissions resulting from leaks. Our action here is consistent with that policy. As such, we approve the targets for 2027 that are within the range approved in the 2024 Rate Order.

Leak Backlog Targets

The Commission rejects the Companies' proposal to modify the Commission-approved leak backlog targets for KEDNY, from 600 total leaks by end of 2027 to 650, and for KEDLI, from 500 total leaks by end of 2027 to 800. The Commission also rejects the Companies' proposal for a 20 percent deadband, which would effectively raise the minimum target established by the current rate plan to 780 leaks for KEDNY and 960 leaks for KEDLI.

Although the Petition only references the leak backlog targets for 2026, compared to which the Companies' proposed targets for 2027 would show some improvement, the current rate plan requires more ambitious leak backlog targets that apply

[145] 2024 Rate Order, p. 74.

following the end of RY 3 to ensure that the Companies continue to significantly improve their year-end leak backlog performance.[146] Table 2 presents the 2024 Rate Order's year-end leak backlog targets and actuals for 2024 through 2026, the 2024 Rate Order's targets for 2027, and the Companies' proposed leak backlog targets for 2027.

Table 2. Leak Backlog Targets and Actuals

	2024	2025	2026	2027 (2024 Rate Order)	2027 (Petition)	
					(Without Deadband)	(with Deadband)
KEDNY						
Target	1,200	1,000	800	600	650	780
Actuals	1,036	965	N/A[147]	N/A	N/A	N/A
KEDLI						
Target	3,150	2,250	1,250	500	800	960
Actuals	2,080	1,716	N/A[148]	N/A	N/A	N/A

The Companies have not justified deviation from these Commission-approved targets. The backlog actuals in Table 2 show that the Companies have been able to meet the targets and avoid incurring NRAs under the current rate plan, which does not demonstrate a need for an NRA deadband or weakening of backlog commitments.[149] In support of their proposal to weaken the leak backlog targets for 2027, the Companies state that "as leak

[146] 2024 Rate Order, Attachment 1 (Joint Proposal), p. 77.

[147] KEDNY stated that it is on track to meet the 2026 year-end target of 800 leaks as of October 29, 2026. Response to DPS-063.

[148] KEDLI stated that it is on track to meet the 2026 year-end target of 1,250 leaks as of October 29, 2026. Response to DPS-063.

[149] Response to DPS-063; Response to DPS-011.

inventories decline, remaining leaks are increasingly complex and resource-intensive to address, often requiring more challenging construction activities, longer remediation timelines, and higher unit costs."[150] The Companies identified some complexities, such as paving moratoria or permitting restrictions, that hinder leak repair, and demonstrated increased unit costs over time.[151] However, they did not provide sufficient specificity to show that they will be unable to meet the already established targets within their budgets. Indeed, the Companies stated that, "based on current information, the Companies have not identified the [challenging construction] conditions as preventing achievement" of the backlog targets agreed upon in the Joint Proposal and adopted in the 2024 Rate Order.[152]

Moreover, leak repair provides important environmental and safety benefits. As of year-end 2025, KEDNY and KEDLI together had 2,670 of the 3,225 statewide total leaks, approximately 83 percent. This concentration is longstanding and reflects the age and material composition of their systems. Statewide progress has been substantial, but further improvement depends on continued reductions by KEDNY and KEDLI specifically. Slowing or relaxing the established targets would impede statewide safety and emissions progress. Accordingly, we expect KEDNY and KEDLI to adhere to the targets that stakeholders and the Commission have already vetted. In so deciding, the Commission agrees with the comments submitted by AGREE, PULP,

[150] Response to DPS-010.

[151] Response to DPS-063.

[152] Response to DPS-063.

the City, AARP, and NRDC[153] opposing the deadband and the changes to the leak backlog targets on the basis that these proposals weaken commitments to gas safety established for 2027 under the current rate plan.

Rate Stabilization Surcharge Mechanism

The Commission authorizes the Companies to implement a Surcharge to take effect on May 1, 2028, after the end of RY 4, limited to an annual cap of 2.5 percent of the Companies' actual prior year's aggregate operating revenues as reported in their annual reports.[154] The Companies must file the tariff amendments associated with the Surcharge on not less than 30 days' notice to go into effect on April 1, 2028. Draft tariff amendments are shown in Appendix C. The Companies must file their first Surcharge Statement complying with the tariff amendments on not less than three days' notice to go into effect on May 1, 2028. As the tariff revisions directed in this Order will be filed in compliance, and stakeholders have already had the opportunity to comment on the contents of the draft leaves, newspaper requirements of PSL §66(12)(b) and Title 16 of the New York Codes, Rules and Regulations (16 NYCRR) §720-8.1 shall be waived. To inform customers of the Commission's decision to implement the Surcharge, the Companies shall develop and disseminate a bill message for customers to be displayed on the

[153] Corrected AGREE Comments (filed September 24, 2026), pp. 33-34; PULP Comments (filed September 23, 2026), p. 34 (emphasizing that the targets under the current rate plan were arrived at through the last rate case's evidentiary process); City Comments (filed September 23, 2026), pp. 10-12; AARP Comments (filed September 23, 2026), pp. 6-7; NRDC Comments (filed September 24, 2026), p. 12 and Synapse Report, p. 18.

[154] For the 12 months ending March 31,2029, the Surcharge caps are estimated at approximately $68.378 million for KEDNY and $44.428 million for KEDLI. Response to DPS-004, Supplemental Attachment 1, (November 5, 2026).

first bill implementing the surcharge. The Companies shall file a copy of the bill message with the Secretary to the Commission within 30 days of the May 1, 2028, effective date, implementing the surcharge.

The Companies will use the Surcharge to recover the deferral activity allowed solely for RY 4 related to property taxes imposed by municipalities and SIR costs. These costs are largely outside the Companies' control, and, given the recent history of recovery gaps in both property taxes and SIR costs, KEDNY and KEDLI will likely materially under-recover such costs in RY 4. As such, the Commission authorizes the Companies to implement the Surcharge as it allows for more timely recovery of these deferrals, which will lessen carrying costs associated with these deferral balances, and limit customer rate impacts in a future rate proceeding.

The Companies forecast RY 4 property tax expense of $466.857 million and $414.036 million for KEDNY and KEDLI, respectively, which exceed their current rate allowances of $349.483 million and $302.797 million, resulting in an estimated deferral of property tax expenses for RY 4 of approximately $117.374 million for KEDNY and $111.239 million for KEDLI. These are taxes imposed by the municipalities in which KEDNY and KEDLI provide service, including New York City. For SIR, the Companies forecast RY 4 expense of $197.730 million and $1.967 million for KEDNY and KEDLI, respectively, as opposed to current rate allowances of $78.959 million and $4.813 million, resulting in an estimated deferral of approximately $118.771 million for KEDNY and $(2.845) million for KEDLI.[155]

With the implementation of the Surcharge, KEDNY's projected property tax and SIR deferral balances will be reduced

[155] Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

by approximately $68.377 million annually. KEDLI's projected property tax and SIR deferral balances will be reduced by approximately $44.428 million annually.[156] A typical residential customer will experience an approximate monthly bill increase due to the surcharge of $4.44, or 1.59 percent, for KEDNY; and $4.90, or 1.97 percent, for KEDLI.[157] The Companies will recover the deferred costs associated with RY 4 property taxes and SIR beginning May 1, 2028, and until the deferral is fully amortized.

The Companies shall allocate the property tax costs among service classes using a plant-based property tax allocator, and they shall allocate the SIR costs using a total firm delivery revenue allocator, which is consistent with how these categories of costs are allocated in the rates adopted by the 2024 Rate Order.[158] The Companies shall file the RSM Statement to become effective May 1, 2028, on not less than three days' notice. Thereafter, the Companies shall reconcile the amounts collected through the Surcharge annually to include any over- or under-recoveries from the prior year, adjusted for carrying charges at each Company's pre-tax weighted average cost of capital at the time of the calculation. The application of carrying charges to unrecovered deferral balances is typical and appropriate to recognize money that is financed over time, rather than recovered from or returned to customers immediately. The Surcharge will end when the Companies have recovered the deferral balances.

---

[156] Response to DPS-004, Supplemental Attachment 1 (November 5, 2026).

[157] Response to DPS-004, Supplemental Attachment 1 (November 5, 2026). Appendix D shows surcharge-related bill impacts for all affected service classifications.

[158] 2024 Rate Order, Attachment 1 (Joint Proposal), Appendix 3, Schedule 3.8 (KEDNY) and Appendix 4, Schedule 3.8 (KEDLI).

PULP raised concerns with the inclusion of deferred SIR costs in the proposed delivery rate surcharge. PULP claimed this Petition would "nullify provisions" of the Commission's SIR Order in Case 11-M-0034.[159] Specifically, PULP stated that the SIR Order listed information that a utility must provide in rate filings when seeking to recover SIR expenses.[160] PULP further asserts that these requirements are "pertinent and applicable in this proceeding" and National Grid's proposal "has not adhered to the Commission's generic requirements related to site investigation and remediation."[161]

We disagree with PULP's claim. The informational requirements of the SIR Order in Case 11-M-0034 apply to major rate cases, not a limited petition such as the one before us. Additionally, the pertinent information, including data on the timeliness of remediation, adherence to or deviation from established remediation schedules,[162] compliance with the Department of Environmental Conservation and other regulatory orders and agreements,[163] and historical costs and forecasts for future spending by site, is available in the Companies' Annual SIR Reports. The Companies submitted their 2025 Annual SIR Reports on March 31, 2026.[164]

---

[159] PULP Comments, p. 21 (citing SIR Order).

[160] PULP Comments, p. 22.

[161] PULP Comments, pp. 22-23.

[162] Case 11-M-0034, supra, KEDNY SIR 2025 Annual Report Tables (filed March 31, 2026); Case 11-M-0034, supra, KEDLI SIR 2025 Annual Report Tables (filed March 31, 2026).

[163] Case 11-M-0034, supra, KEDNY 2025 SIR Annual Report (filed March 31, 2026); Case 11-M-0034, supra, KEDLI 2025 SIR Annual Report (filed March 31, 2026).

[164] Case 11-M-0034, supra, KEDNY 2025 SIR Annual Report (filed March 31, 2026); Case 11-M-0034, supra, KEDLI 2025 SIR Annual Report (filed March 31, 2026).

CLCPA Policy Alignment

Pursuant to CLCPA §7(2), the Commission must consider whether administrative decisions would be inconsistent or interfere with the attainment of the statewide GHG emissions limits established in Article 75 of the Environmental Conservation Law (ECL). CLCPA §7(3) provides that the Commission shall not disproportionately burden disadvantaged communities in considering and issuing permits, licenses, and other administrative approvals and decisions.

The Commission determines that this Petition does not interfere with, nor is it inconsistent with, the attainment of statewide GHG emissions targets. The projects comprising the Companies' capital expenditure plans support reliable service while also decreasing GHG emissions on the Companies' natural gas distribution systems. The Petition likewise does not disproportionately burden disadvantaged communities.

In the CLCPA Initiating Order, the Commission directed all utilities to include an assessment of GHG emissions impacts of proposed investments, capital expenditures, programs, and initiatives in all future rate filings.[165] While the Petition is not a rate filing as contemplated in the CLCPA Initiating Order, the Companies provided GHG emissions workpapers for each of their proposed projects and programs with a cost impact of over $1 million that will impact emissions in RY 4.[166] The Companies also provided workpapers for proposed projects and programs that

[165] Case 22-M-0149, CLCPA Implementation, Order on Implementation of the Climate Leadership and Community Protection Act (issued May 12, 2022) (CLCPA Initiating Order), pp. 16, 47-48.

[166] Response to DPS-001, Supplemental Attachment 7 and GWP 100 workpapers (September 3, 2026). These workpapers were updated to reflect a 100-year global warming potential in accordance with 2026 amendments to the CLCPA. L. 2026, c. 58, Part VV.

only have emissions impacts after RY 4.[167] The GHG emissions workpapers utilize emissions factors from either the New York State Department of Environmental Conservation (NYSDEC) or the U.S. Environmental Protection Agency (EPA)[168] to calculate the emissions impacts of those projects and programs. This method comports with the Commission's September 2026 Greenhouse Gas Emissions Inventory Order, which directs utilities to use emissions factors set by NYSDEC, or by the EPA if NYSDEC does not cover such factors.[169]

Projected overall GHG emissions reductions of the Companies' proposed projects and programs on the natural gas distribution systems are 3,200 MT CO2e for KEDNY and 6,228 MT CO2e for KEDLI, annually, starting in RY 4.[170] These decreases will be slightly offset in later years by projects whose emissions impacts will only be felt following RY 4. These projects will result in annual incremental emissions increases peaking in 2031 at 698 MT CO2e for KEDNY and 891 MT CO2e for KEDLI; thus, we forecast that the total annual net emissions decreases in 2031 will be 2,502 MT CO2e for KEDNY and 5,337 MT CO2e for KEDLI.[171] Appendix E presents an update of the Companies' accounting that is consistent with the CLCPA Initiating Order and Greenhouse Gas Emissions Inventory

[167] Response to DPS-059, Attachment 2, which encompasses DPS-033, Supplemental Attachments 1-18.

[168] EPA emissions factors are set forth in 40 CFR Part 98, Subpart W.

[169] Case 22-M-0149, supra, Order on Greenhouse Gas Emissions Inventory (issued September 18, 2026), pp. 13-15.

[170] Appendix E. This appendix was developed using the response to DPS-059, Supplemental Attachment 1.

[171] Appendix E.

Order's[172] directives that utilities should provide the emissions impacts of a rate filing's proposed capital expenditures on the gas system.[173] Specifically, electricity sector emissions are tracked by NYSDEC, and we directed gas utilities to not recreate that analysis.[174] In addition, the Companies inflated the projected emissions from the Auxiliary Power Unit Project by assuming that the Auxiliary Power Unit will run at the maximum allowable level under the emissions permit. In actuality, the amount they will run is unknown but expected to be far lower because the auxiliary power units will only be used during an electric grid outage. In this case, because the exact emissions are unknown, we consider the incremental emissions impacts of the Auxiliary Power Unit Project qualitatively.

The Commission also finds that this Petition will not disproportionately burden disadvantaged communities. In making this assessment, Staff compiled project-specific data provided by the Companies, including location in a disadvantaged community (for those projects with a determined location), the projected greenhouse gas emissions impact, and whether the project will have enduring post-construction impacts.[175] The analysis of this data shows that, in KEDNY's service territory, a high proportion of these projects are in disadvantaged communities. KEDNY's projects in disadvantaged communities consist primarily of upgrades to existing infrastructure. The majority of these projects either reduce GHG emissions or have

[172] Appendix E; Response to DPS-001, Supplemental Attachment 7 (September 3, 2026). The Companies estimated GHG reductions of 3,038 MT CO2e for KEDNY and 4,862 MT CO2e for KEDLI.

[173] CLCPA Initiating Order, p. 16.

[174] CLCPA Initiating Order, p. 16, n. 34.

[175] Staff's analysis is provided in Appendix F and is based on the white papers filed in this case and the Companies' responses to DPS-033 and DPS-059, Attachment 3.

no appreciable effect on GHG emissions, and the projects' impacts to communities are expected to be minimal.[176]

Because GHGs, co-pollutants, and other impacts of these projects are expected to be minimal, we find that they do not constitute a disproportionate burden to disadvantaged communities. Nonetheless, the prevalence of projects in disadvantaged communities in KEDNY's service territory suggests that the temporary, construction-related impacts identified in the Companies' white papers, such as diesel emissions from construction equipment, may be concentrated in communities already characterized by higher environmental burdens and health vulnerabilities than their neighbors. The Commission therefore emphasizes that the Companies must adhere to the most rigorous construction management standards to minimize and mitigate the construction-related impacts of these projects.[177]

Although we were able to assess the impact of some projects on disadvantaged communities, the large majority (approximately 85 percent) of the Companies' proposed investments are in capital programs, rather than individual projects. In many instances, the location of programmatic investments is not determined in advance and/or is governed by factors outside the Companies' control. For example, the Companies do not direct the location of city/state construction investments or reactive leak repairs. The Companies indicate that the majority of these programmatic investments without a defined location will decrease or have no effect on emissions from the Companies' systems and result in minimal impacts on the communities where program activities are located.[178] Two

[176] Appendix F.

[177] See Response to DPS-033 (detailing some of these construction management standards).

[178] Appendix F.

programs – customer connections and gas reliability - are expected to increase GHG emissions from the Companies' systems; however, the Commission cannot at this point determine the proportion of these emissions that will occur in disadvantaged communities.

In its comments, AGREE argues that the Commission should deny the Petition because the Companies did not provide sufficient information for the Commission to conduct its CLCPA §7(2) and §7(3) analyses. AGREE states that the Companies failed to provide an explanation of their GHG emissions estimate methodology, including the baseline for comparison. AGREE emphasizes that the accounting and descriptions did not account for emissions resulting from extending the life of the gas system. Furthermore, AGREE argues that the Companies did not adequately consider NPAs or mitigation measures for the proposed capital projects, which could better advance the State's goals under the CLCPA.[179]

While the Companies did not initially provide a detailed emissions accounting in the Petition, the Companies did so in response to information requests, as described above. Also, the PSL and Commission regulations require utilities to provide gas service to applicants who request it, and the Companies are obligated to provide customers with safe, adequate, and reliable gas service.[180] Further, actual historical total emissions will be reported to the Commission through the inventory process established in Case 22-M-0149.[181] While the CLCPA requires statewide emissions reductions of 60 percent by 2040, to the maximum extent feasible and cost

[179] Corrected AGREE Comments (filed September 24, 2026), p. 19.

[180] PSL §§30, 31; 16 NYCRR §230.2; c.f. PSL §66-A.

[181] CLCPA Initiating Order.

effective,[182] and 85 percent by 2050,[183] specific percentage reduction targets were not placed on individual utilities by the CLCPA or the Commission.

The Commission disagrees with AGREE's claims that the Companies inadequately considered alternatives. The Companies provided a capital expenditure proposal of projects and programs that impact Net Plant in RY 4. The capital proposal presented the level of detail typical of a standard rate case process and included documentation that justified the need for each selected project and program. The documentation identified and discussed NPAs that met project and program needs while considering cost affordability, system safety and reliability, and the advancement of the State's climate goals. We reviewed the Companies' analysis and alternatives and find that it is sufficient. Furthermore, the Commission is addressing NPAs in other proceedings, and we note that the Companies submitted a separate petition concerning specific NPA projects and recovery frameworks.[184]

Regarding CLCPA §7(3), AGREE contends that the Companies did not provide enough information in their Petition or responses to requests for information to enable the Commission to assess impacts to disadvantaged communities.[185] As described above, the Commission bases its determination on the information provided by the Companies in its initial filings, documentation, and supplemental responses, as well as additional

[182] ECL §75-0109(1).

[183] ECL §75-0107(1).

[184] Cases 23-G-0225 and 23-G-0226, supra, Petition of KEDNY and KEDLI For NPA Framework and Approval of Specific NPA Projects (filed May 1, 2026).

[185] Corrected AGREE Comments (filed September 24, 2026), pp. 20-23.

analysis conducted by Staff, shown in Appendix F. Staff compiled and cross-referenced the data provided by the Company to identify project-specific impacts on communities. The additional information provided by the Companies and the Staff analysis is a sufficient basis for our decision.

Both AGREE and Sane raised concerns about the impacts of investments in the Greenpoint LNG Facility on the disadvantaged community in which it is located.[186] While the community impacts of the Greenpoint facility as a whole are outside the scope of this review, the incremental investments included in this Petition will result in limited additional burdens on the surrounding communities. The Companies identified that several of the Greenpoint projects result in increased GHG emissions. However, emissions from some of these projects are from increased electricity use and will therefore occur at the site of electricity generation, rather than locally at the Greenpoint LNG Facility. The Auxiliary Power Unit project, which is discussed in greater detail above, will result in incremental emissions at the Greenpoint facility only in the event of a city-wide power outage, when the auxiliary gas-fired generators will be required to ensure safety at the site. Aside from this limited instance, the Companies expect these projects to have no impacts to the surrounding communities beyond temporary impacts during construction.[187]

Finally, AGREE comments that the Companies' Petition did not meet the 2024 Rate Order's requirement that the Companies provide certain information in their next rate filing. Specifically, the 2024 Rate Order required that the Companies detail, for capital projects in or affecting disadvantaged

[186] Sane September Comments, p. 3; Corrected AGREE Comments (filed September 24, 2026), pp. 24-26.

[187] Appendix F.

communities, the GHG and co-pollutant emissions associated with the project, the cumulative impacts of those emissions on affected communities, and project design considerations to eliminate disproportionate burdens.[188] As noted previously in this Order, the Petition is not a rate filing, therefore AGREE's comment is misplaced. However, the Commission notes that the Companies provided much of this information in responses to Staff information requests, and this information underpins our assessment of the impacts of the capital investments discussed in the foregoing paragraphs. The Commission takes this opportunity to remind the Companies that their next rate filing must comply with this provision from the 2024 Rate Order.

The Commission concludes that our action in this Order, granting the Petition with modifications, fulfills the Commission's core statutory obligation to ensure safe and adequate service at just and reasonable rates. In the 2024 Rate Order we determined that adoption of the terms of the Joint Proposal would not impede the attainment of GHG emissions targets nor disproportionately burden disadvantaged communities.[189] Our approval of the Petition, as modified, extends previously approved investments, updates cost forecasts for these investments, and incorporates new investments necessary to maintain system safety and reliability, all of which are consistent with the requirements of the 2024 Rate Order. Accordingly, the Commission finds that our action in

[188] Corrected AGREE Comments, p. 21 (citing 2024 Rate Order, Attachment 1 (Joint Proposal), pp. 51-52). The Joint Proposal as adopted in the 2024 Rate Order requires the Companies, in their next rate filing, to identify impacts and mitigation alternatives for each capital project over $1 million located in or impacting a disadvantaged community.

[189] 2024 Rate Order, p. 158.

this Order will neither impede the attainment of GHG emissions targets nor disproportionately burden disadvantaged communities.

Customer Affordability

The Companies did not propose any capital expenditures for customer service-related projects as part of the Petition,[190] nor did they propose any changes to their respective Energy Affordability Programs (EAPs).

PULP expresses concerns that the Petition could harm vulnerable low-income customers because it extends RY 3 levelized rates into RY 4.[191] PULP notes that low-income customers with limited or no disposable income are already having difficulty paying their gas bills, as shown by the May 2026 collections data.[192] Additionally, almost all of the public comments received from 303 individual commenters emphasized customer affordability and requested that the Commission review bill impacts before approving the Petition.

The Commission shares PULP's and other commenters' concerns regarding customer affordability, and it remains at the forefront of our recent decisions. That is why we are directing the Companies to maintain RY 3 base delivery rates in RY 4, such that there will be no impact on the delivery portion customers' bills. By filing this Petition, the Companies avoided a rate filing that, they explain, would likely have requested rates for RY 4 significantly above RY 3 levels.[193] By extending their current RY 3 rates, the Companies will create a regulatory liability, a portion of which will likely help defray rate

[190] Response to DPS-019.

[191] PULP Comments, p. 12.

[192] PULP Comments, pp. 12-13.

[193] Petition, p. 2.

increases expected in upcoming years, avoiding even higher rate shocks for customers.

Low-income customers will continue to be protected by the Companies' energy affordability initiatives under the current rate plan and recent Commission orders: the Companies will annually recalculate bill discounts for residential low-income customers participating in their EAPs so that participants can achieve a six percent energy burden target.[194] In July 2025, the Commission adopted an Enhanced EAP design that provides a bill discount to residential customers who do not currently qualify for low-income EAP bill discount programs but whose income is below state median income or area median income.[195]

In September 2026, Governor Kathy Hochul launched a statewide enrollment drive across numerous State agencies to help eligible customers apply for utility bill discounts through their respective utility's EAP and Enhanced EAP. The enrollment drive has yielded approximately 65,000 applications statewide since September 1, 2026. To support increased program enrollment, the Commission expects the Companies to continue to conduct outreach in RY 4 on EAP and Enhanced EAP to enroll all eligible customers in the appropriate program.

Motion for Procedural Relief

In its August 14, 2026 motion, UIU asserts that a "comment-only process is insufficient" for the scope of the proceeding.[196] UIU contends that the August 24, 2026 comment

[194] Case 14-M-0565, Energy Affordability Programs, Order Adopting Low Income Program Modifications and Directing Utility Filings (issued May 20, 2016), p. 3.

[195] Case 14-M-0565 et al., supra, Order Adopting Enhanced Energy Affordability Policy and Directing Utility Filings (issued July 17, 2025).

[196] UIU Motion, pp. 2-3. NRDC and PULP join UIU in the Motion.

deadline was insufficient because it only provided stakeholders with two months to meaningfully review the Petition.[197] UIU requests that the Commission assign an ALJ to oversee the orderly exchange of information between the Company and stakeholders.[198] While UIU acknowledges that the discovery provisions of the Commission's procedural rules do not apply to comment-only proceedings, UIU states that the Commission has the authority to establish a similar process.[199] UIU also requests that the Commission schedule a technical conference where National Grid would explain the Petition and answer stakeholder questions.[200] Finally, UIU requests an extension of the August 24, 2026 comment deadline by at least 60 days.

Sane, NYCP, and the City filed comments in support of UIU's motion. Sane and the City both state that granting the motion would ensure stakeholders have the time and information needed to better participate in the proceeding.[201] Sane also contends that, without an ALJ or another process to resolve procedural disputes, "the process risks placing the utility in the position of capriciously determining the limits of the record."[202]

KEDNY and KEDLI replied to UIU's motion on August 24, 2026. The Companies argue that assigning an ALJ and establishing a formal discovery process are not warranted; and,

[197] UIU Motion, p. 3.

[198] UIU Motion, p. 4.

[199] UIU Motion, p. 5.

[200] UIU Motion, p. 9.

[201] Case 26-G-0384, City of New York – Response to UIU's Motion for Procedural Relief (filed August 24, 2026) (City Response to UIU Motion), p. 2; Sane August Comments, p. 5.

[202] Sane August Comments, p. 4.

therefore, the motion should be denied.[203] The Companies state that they voluntarily "responded to more than 109 information requests" from stakeholders. National Grid claims that the Commission approved similar petitions in a notice-and-comment proceeding and without an ALJ or formal discovery.[204] National Grid also states that it already held two conferences with UIU representatives.[205]

As an initial matter, UIU is correct: the discovery provisions of 16 NYCRR Part 5 do not apply in a notice-and-comment proceeding such as this one.[206] Formal discovery "is designed for proceedings in which parties will present their position through direct testimony and cross examination at an evidentiary hearing."[207] In this proceeding, there was no need to provide for testimony and cross-examination at an evidentiary hearing. Thus, the use of the formal discovery processes set out in Part 5 is not appropriate.

While the Commission does have the discretionary authority to authorize discovery or information-exchange procedures, doing so in this proceeding was not necessary. Most of the initiatives, programs, and projects that the Companies

---

[203] National Grid Response to UIU Motion (filed August 24, 2026) (Company Response to Motion), pp. 1-2.

[204] Company Response to Motion, p. 4 (citing Case 14-G-0214, supra, Order Directing Investments and Allowing, in Part, Deferral Authority and Establishing a Surcharge (issued December 15, 2014); Case 26-G-0304, National Fuel Gas - System Modernization Tracker Reconciliation Mechanism, Order Authorizing a System Modernization Tracker Reconciliation Mechanism (issued August 17, 2026)).

[205] Company Response to Motion, p. 5.

[206] UIU Motion, p. 5.

[207] Case 20-G-0131, supra, Order Adopting Gas System Planning Process (issued May 12, 2022), p. 24 (citing 16 NYCRR §5.8(a)).

will implement in RY 4 were fully considered in the last rate case and addressed in the 2024 Rate Order. The notice-and-comment procedures that govern this case allowed for significant stakeholder input, as discussed throughout this Order, while also avoiding the unnecessary expense and delay that would have resulted from holding an evidentiary hearing.

Moreover, in this proceeding, the Companies voluntarily provided additional information to facilitate stakeholders' public comments, engaged in technical meetings, and coordinated with those stakeholders to answer questions and provide clarity in advance of their comment filings.[208] This information sharing improved stakeholders' comments, which in turn informed our review and our determination. We encourage voluntary information sharing in future notice-and-comment proceedings to the extent that it improves public engagement and stakeholder comments.

Finally, UIU filed its motion one week prior to the deadline for comments pursuant to the State Administrative Procedure Act. Providing the relief requested, even at that time, would have unnecessarily and unreasonably delayed our consideration of the Petition and the thoughtful comments that stakeholders have provided.

For the aforementioned reasons, UIU's motion is denied.

CONCLUSION

In the Petition National Grid requested approval of multiple proposals that together would allow KEDNY and KEDLI to continue their existing base delivery rates without change through RY 4 and avoid what would have otherwise been a request

[208] Corrected AGREE Comments (filed September 24, 2026), pp. 19-20.

for significant rate increases. In this Order, the Commission grants National Grid's Petition, with modifications. Our action provides rate stability for customers in light of concerns regarding affordability. Accordingly, the Companies are authorized to implement their proposed capital plan, continue current base tariff rates, and make the required filings consistent with the body of this Order.

The Commission orders:

1. The Petition of The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid is approved with modifications, consistent with the discussion in the body of this Order.

2. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall continue the base delivery rates that are in effect for Rate Year Three of their current rate plans, to remain in effect, without change, through the end of Rate Year Four and until changed by the Commission.

3. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall, beginning April 1, 2027, defer the portion of their revenues. equal to the levelization amount reflected in the Rate Year Three revenue requirement of their current rate plans, with interest applied at the pre-tax Weighted Average Cost of Capital, and continue to do so until the Commission next sets their base delivery rates.

4. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall modify their existing downward-only net utility plant and depreciation expense reconciliation mechanisms to two-way tracking mechanisms for the 12-month period ending March 31,

2028, allowing the Companies to defer for future recovery from customers up to $94.141 million of return on and return of actually incurred net utility plant and depreciation expense, or revenue requirement, for KEDNY and up to $61.949 million of such revenue requirement for KEDLI.

5. The Brooklyn Union Gas Company d/b/a National Grid NY shall defer for future recovery from customers the difference between the level of city/state construction operations and maintenance expenses reflected in the Rate Year Three revenue requirement of its current rate plan and the actual city/state construction operations and maintenance expenses it incurs in the 12-month period ending March 31, 2028, capped at $27.805 million.

6. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall modify their existing property tax deferral mechanism to defer for future recovery from or return to customers 100 percent of the difference between the level of property tax expense reflected in their respective Rate Year Three rates and the actual property tax expenses incurred in the 12-month period ending March 31, 2028.

7. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall implement a two-way tracker for uncollectible expense, under which they would defer for future recovery from customers 80 percent of any under-recovery of uncollectible expense as compared to the level reflected in Rate Year Three of their current rate plan, and for future return to customers 100 percent of any over-recovery of uncollectible expenses as compared to the level reflected in Rate Year Three of their current rate plan.

8. The Brooklyn Union Gas Company d/b/a National Grid NY shall adopt a minimum target of 46 miles of leak-prone pipe removed by year-end 2027 and each future calendar year.

9. KeySpan Gas East Corporation d/b/a National Grid shall adopt a minimum target of 121 miles of leak-prone pipe removed by year-end 2027 and each future calendar year.

10. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall continue the annually decreasing year-end leak backlog targets set in the current rate plan. The targets for year-end 2027 are 600 total leaks for The Brooklyn Union Gas Company d/b/a National Grid NY and 500 total leaks for KeySpan Gas East Corporation d/b/a National Grid.

11. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall file tariff amendments related to the Rate Stabilization Surcharge Mechanism, as listed in Appendix C, on not less than 30 days' notice, to become effective on April 1, 2028.

12. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall implement a Rate Stabilization Surcharge Mechanism capped at 2.5 percent of each Company's actual prior year aggregate operating revenues and file a Rate Stabilization Statement on not less than three days' notice, to become effective May 1, 2028, to recover regulatory assets related to property taxes and SIR deferral activity for the 12-months ending March 31, 2028.

13. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid are directed to file with the Secretary, within 30 days following the establishment of the deferral required in Ordering Clause 3, a copy of the related journal entries.

14. The requirements of Public Service Law §66(12)(b) and Title 16 of the New York Codes, Rules and Regulations §720-8.1 for newspaper publication of the tariff amendments directed in Ordering Clause 11 are waived.

15. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall provide a bill message for customers explaining the Rate Stabilization Surcharge Mechanism on the first bill implementing the surcharge.

16. The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall file a copy of the bill message with the Secretary to the Commission within 30 days of implementing the surcharge, along with an attestation that it has complied with Ordering Clause 15.

17. Except as otherwise modified in this Order, the requirements of the Commission's Order Approving Terms of Joint Proposal and Establishing Gas Rate Plans, with Minor Modification and Corrections, issued on August 15, 2024, in Cases 23-G-0225 and 23-G-0226 remain in effect, and The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid shall continue to abide by them.

18. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

19. This proceeding is closed pending compliance with Ordering Clauses 11, 12, 13, 15, and 16.

By the Commission,

(SIGNED) MICHELLE L. PHILLIPS
Secretary

The Brooklyn Union Gas Company d/b/a National Grid NY
Revenue Requirement Cap - Based on Forecast of FY28 to FY27 Allowed in Rates
($000's)

	Total Gas Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Gas Net Utility Plant in Service (d)	Depreciation (e)	Total Gas Revenue Requirement
Fiscal Year 2027 Net Plant and Depreciation Allowed in Rates *	11,502,440	103,956	(1,993,132)	9,613,264	276,510	1,143,142
Fiscal Year 2028 Forecast Average Net Plant and Depreciation Forecast	12,738,821	89,427	(2,229,203)	10,599,045	281,784	1,237,283
Difference	1,236,381			985,781	5,273	94,141
Pre-tax Weighted Average Cost Rate				9.01%		
Incremental Revenue Requirement Cap				88,868	5,273	94,141
					Difference from Orig Petition	2,267

Notes
* Case 23-G-0225 Joint Proposal, Appendix 6, Schedule 7

Keyspan Gas East Corporation d/b/a National Grid
Revenue Requirement Cap - Based on Forecast of FY28 to FY27 Allowed in Rates
($000's)

	Total Gas Plant in Service (a)	Non-Interest Bearing CWIP (b)	Reserve for Depreciation (c)	Gas Net Utility Plant in Service (d)	Depreciation (e)	Total Gas Revenue Requirement
Fiscal Year 2027 Net Plant and Depreciation Allowed in Rates *	7,690,248	105,155	(1,413,977)	6,381,426	200,046	784,263
Fiscal Year 2028 Forecast Average Net Plant and Depreciation Forecast	8,441,475	54,718	(1,599,363)	6,896,830	214,810	846,212
Difference				515,404	14,764	61,949
Pre-tax Weighted Average Cost Rate				9.15%		
Incremental Revenue Requirement Cap				47,185	14,764	61,949
					Difference from Orig Petition	2,504

Notes
* Case 23-G-0226 Joint Proposal, Appendix 7, Schedule 7

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 1

Total Net Plant/Depreciation Tracker (Total NUP) Under
CSC Net Plant/Depreciation Tracker (CSC NUP) Under

Result

Since the CSC NUP is under, the Company retains 10% of CSC NUP savings, and since the level of CSC NUP underspend is greater than the Total NUP underspend, it indicates the Total NUP without CSC is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

Deferral Calculation

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,598,545			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,455			
Depreciation	$281,784	$281,784			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,238	($45)	$1,237,238	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$185,652	$180,000	($5,652)		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$16,736	$16,227	($510)		
CSC Depreciation	$3,321	$3,031	($290)		
CSC Net Plant/Depreciation Revenue Requirement	$20,058	$19,258	($800)		
			($45)		Total NUP difference
			$754		Non-CSC Overspend in Total NUP
			$80		10% CSC NUP underspend retained by Company
			($754)		Non-deferrable Non-CSC overspend in Total NUP Cap
CSC Reconciliation Mechanism - Company retains 10% of CSC NUP savings, remove non-CSC NUP overspend from the deferral			($674)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$1,236,564	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 2

Total Net Plant/Depreciation Tracker (Total NUP)	Over
CSC Net Plant/Depreciation Tracker (CSC NUP)	Under

Result

Since the CSC NUP is under, the Company retains 10% of CSC NUP savings, and since the level of CSC NUP underspend is greater than the Total NUP overspend, it indicates the Total NUP without CSC is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

Deferral Calculation

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,599,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,500			
Depreciation	$281,784	$282,284			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,783	$500	$1,237,283	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$185,652	$180,000	($5,652)		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$16,736	$16,227	($510)		
CSC Depreciation	$3,321	$3,031	($290)		
CSC Net Plant/Depreciation Revenue Requirement	$20,058	$19,258	($800)		
			$500		Total NUP difference
			$1,300		Non-CSC Overspend in Total NUP
			$80		10% CSC NUP underspend retained by Company
			($800)		Non-deferrable Non-CSC overspend in Total NUP Cap
CSC Reconciliation Mechanism - Company retains 10% of CSC NUP savings, remove non-CSC NUP overspend from the deferral			($720)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$1,236,564	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 3

Total Net Plant/Depreciation Tracker (Total NUP)	Under
CSC Net Plant/Depreciation Tracker (CSC NUP)	Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is greater than the Total NUP underspend, Total NUP without CSC is not over the Total NUP Cap and no adjustment to the Total NUP deferral is necessary.

Deferral Calculation

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,598,545			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,455			
Depreciation	$281,784	$280,784			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,236,238	($1,045)	$1,236,238	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$185,652	$199,036	$13,384		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$16,736	$17,943	$1,207		
CSC Depreciation	$3,321	$3,561	$239		
CSC Net Plant/Depreciation Revenue Requirement	$20,058	$21,504	$1,446		
			($1,045)		Total NUP difference
			$1,446		Non-CSC Overspend in Total NUP
			($145)		10% CSC NUP overspend absorbed by Company
			$0		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend			($145)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$1,236,094	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 4

Total Net Plant/Depreciation Tracker (Total NUP) Over
CSC Net Plant/Depreciation Tracker (CSC NUP) Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is less than the Total NUP overspend, the CSC NUP overspend is added to the Total NUP deferral.

Deferral Calculation

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,609,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$956,401			
Depreciation	$281,784	$282,784			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,239,185	$1,901	$1,237,283	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$185,652	$199,036	$13,384		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$16,736	$17,943	$1,207		
CSC Depreciation	$3,321	$3,561	$239		
CSC Net Plant/Depreciation Revenue Requirement	$20,058	$21,504	$1,446		
			$1,901		Total NUP difference
			$0		Non-CSC Overspend in Total NUP
			($145)		10% CSC NUP overspend absorbed by Company
			$1,446		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend, add CSC NUP overspend to the deferral			$1,301	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$1,238,585	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 5

Total Net Plant/Depreciation Tracker (Total NUP) Over
CSC Net Plant/Depreciation Tracker (CSC NUP) Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is greater than the Total NUP overspend, the Total NUP overspend represents the CSC NUP overspend that is added to the Total NUP deferral.

Deferral Calculation

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,609,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$956,401			
Depreciation	$281,784	$281,883			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,238,284	$1,000	$1,237,283	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$185,652	$199,036	$13,384		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$16,736	$17,943	$1,207		
CSC Depreciation	$3,321	$3,561	$239		
CSC Net Plant/Depreciation Revenue Requirement	$20,058	$21,504	$1,446		
			$1,000		Total NUP difference
			$0		Non-CSC Overspend in Total NUP
			($145)		10% CSC NUP overspend absorbed by Company
			$1,000		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend, add CSC NUP overspend to the deferral			$856	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$1,238,139	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 1

Total Net Plant/Depreciation Tracker (Total NUP)	Under
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Under

Since the level of Cust Conn NUP underspend is greater than the Total NUP underspend, it indicates the Total NUP without Cust Conn is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,598,545			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,455			
Depreciation	$281,784	$281,784			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,238	($45)	$1,237,238	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$9,605	($1,000)		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$866	($90)		
Cust Conn Depreciation	$204	$175	($29)		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$1,041	($119)		
			($45)		Total NUP difference
			$74		Non-Cust Conn Overspend in Total NUP
			($74)		Non-deferrable Non-Cust Conn Overspend in Total NUP
Cust Conn Reconciliation Mechanism - remove non-Cust Conn NUP overspend from the deferral			($74)	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,237,164	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 2
Total Net Plant/Depreciation Tracker (Total NUP) Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP) Under

Since the level of Cust Conn NUP underspend is greater than the Total NUP overspend, it indicates the Total NUP without Cust Conn is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,599,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,500			
Depreciation	$281,784	$282,284			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,783	$500	$1,237,283	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$2,605	($8,000)		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$235	($721)		
Cust Conn Depreciation	$204	$154	($50)		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$389	($771)		
			$500		Total NUP difference
			$1,271		Non-Cust Conn Overspend in Total NUP
			($771)		Non-deferrable Non-Cust Conn Overspend in Total NUP
Cust Conn Reconciliation Mechanism - remove non-Cust Conn NUP overspend from the deferral			($771)	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,236,512	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 3

Total Net Plant/Depreciation Tracker (Total NUP)	Under
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP underspend, Total NUP without Cust Conn is not over the Total NUP Cap and no adjustment to the Total NUP deferral is necessary.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,598,545			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,455			
Depreciation	$281,784	$281,284			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,236,738	($545)	$1,236,738	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$19,895	$9,290		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$1,794	$837		
Cust Conn Depreciation	$204	$383	$179		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$2,177	$1,016		
			($545)		Total NUP difference
			$1,016		Non-Cust Conn Overspend in Total NUP
			$0		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - No adjustment			$0	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,236,738	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 4
Total Net Plant/Depreciation Tracker (Total NUP) Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP) Over

Since the level of Cust Conn NUP overspend is less than the Total NUP overspend, the Cust Conn NUP overspend is added to the Total NUP deferral.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,609,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$956,401			
Depreciation	$281,784	$282,784			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,239,185	$1,901	$1,237,283	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$19,895	$9,290		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$1,794	$837		
Cust Conn Depreciation	$204	$383	$179		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$2,177	$1,016		
			$1,901		Total NUP difference
			$0		Non-Cust Conn Overspend in Total NUP
			$1,016		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - add Cust Conn NUP overspend to the deferral			$1,016	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,238,300	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 5
Total Net Plant/Depreciation Tracker (Total NUP) Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP) Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP overspend, the Total NUP overspend represents the Cust Conn NUP overspend that is added to the Total NUP deferral.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,604,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,950			
Depreciation	$281,784	$281,883			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,833	$550	$1,237,283	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$19,895	$9,290		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$1,794	$837		
Cust Conn Depreciation	$204	$383	$179		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$2,177	$1,016		
			$550		Total NUP difference
			$0		Non-Cust Conn Overspend in Total NUP
			$550		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - add Cust Conn NUP overspend to the deferral			$550	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,237,833	(a + b)	

The Brooklyn Union Gas Company d/b/a National Grid NY
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 6

Total Net Plant/Depreciation Tracker (Total NUP)	Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP overspend and greater than the Cust Conn NUP 90%/10% Cap, the Total NUP overspend represents the Cust Conn NUP overspend that is added to the Total NUP deferral but adjusted for the Company's 10% share of the amount over the Cust Conn NUP 90%/10% Cap.

	Revenue Requirement Cap	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$10,599,045	$10,604,045			
Pre-Tax Return %	9.01%	9.01%			
Return on Ratebase	$955,500	$955,950			
Depreciation	$281,784	$281,883			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$1,237,283	$1,237,833	$550	$1,237,283	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$10,605	$29,843	$19,237		
Pre-Tax Return %	9.01%	9.01%	9.01%		
Return on Ratebase	$956	$2,690	$1,734		
Cust Conn Depreciation	$204	$480	$276		
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,160	$3,171	$2,011		
			$550		Cust Conn Overspend not in NUP
			$550	(b)	Net Adjustment to Total NUP

Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism Above the Cap	Cust Conn Revenue F FY2028	Assumed Actual Results FY2028		
Cust Conn Average Net Plant	$22,360	$29,843	$7,482	
Pre-Tax Return %	9.01%	9.01%	9.01%	
Return on Ratebase	$2,016	$2,690	$675	
Cust Conn Depreciation	$430	$574	$144	
Cust Conn Net Plant/Depreciation Revenue Requirement	$2,446	$3,265	$819	
Cust Conn Reconciliation Mechanism - Company's 10% share of Cust Conn NUP over the Cust Conn NUP 90%/10% Cap			-$82	(c) 10% Overspend absorbed by Company
Combined Total NUP and Cust Conn NUP Regulatory Asset			$1,237,751	(a + b + c)

Keyspan Gas East Corporation d/b/a National Grid
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 1

Total Net Plant/Depreciation Tracker (Total NUP) Under
CSC Net Plant/Depreciation Tracker (CSC NUP) Under

Result

Since the CSC NUP is under, the Company retains 10% of CSC NUP savings, and since the level of CSC NUP underspend is greater than the Total NUP underspend, it indicates the Total NUP without CSC is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

Deferral Calculation

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,330			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,356			
Depreciation	$214,810	$214,810			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,167	($46)	$846,167	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$7,071	$5,000	($2,071)		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$647	$458	($190)		
CSC Depreciation	$141	$112	($29)		
CSC Net Plant/Depreciation Revenue Requirement	$788	$569	($219)		
			($46)		Total NUP difference
			$173		Non-CSC Overspend in Total NUP
			$22		10% CSC NUP underspend retained by Company
			($173)		Non-deferrable Non-CSC overspend in Total NUP Cap
CSC Reconciliation Mechanism - Company retains 10% of CSC NUP savings, remove non-CSC NUP overspend from the deferral			($151)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$846,016	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 2

Total Net Plant/Depreciation Tracker (Total NUP) — Over
CSC Net Plant/Depreciation Tracker (CSC NUP) — Under

Result

Since the CSC NUP is under, the Company retains 10% of CSC NUP savings, and since the level of CSC NUP underspend is greater than the Total NUP overspend, it indicates the Total NUP without CSC is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

Deferral Calculation

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,402			
Depreciation	$214,810	$215,310			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,712	$500	$846,212	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$7,071	$1,000	($6,071)		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$647	$92	($556)		
CSC Depreciation	$141	$41	($100)		
CSC Net Plant/Depreciation Revenue Requirement	$788	$132	($656)		
			$500		Total NUP difference
			$1,156		Non-CSC Overspend in Total NUP
			$66		10% CSC NUP underspend retained by Company
			($656)		Non-deferrable Non-CSC overspend in Total NUP Cap
CSC Reconciliation Mechanism - Company retains 10% of CSC NUP savings, remove non-CSC NUP overspend from the deferral			($590)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$845,622	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 3

Total Net Plant/Depreciation Tracker (Total NUP)	Under
CSC Net Plant/Depreciation Tracker (CSC NUP)	Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is greater than the Total NUP underspend, Total NUP without CSC is not over the Total NUP Cap and no adjustment to the Total NUP deferral is necessary.

Deferral Calculation

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,330			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,356			
Depreciation	$214,810	$213,810			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$845,167	($1,046)	$845,167	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$7,071	$7,956	$886		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$647	$728	$81		
CSC Depreciation	$141	$158	$18		
CSC Net Plant/Depreciation Revenue Requirement	$788	$887	$99		
			($1,046)		Total NUP difference
			$99		Non-CSC Overspend in Total NUP
			($10)		10% CSC NUP overspend absorbed by Company
			$0		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend			($10)	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$845,157	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 4

Total Net Plant/Depreciation Tracker (Total NUP) Over
CSC Net Plant/Depreciation Tracker (CSC NUP) Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is less than the Total NUP overspend, the CSC NUP overspend is added to the Total NUP deferral.

Deferral Calculation

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,906,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$632,317			
Depreciation	$214,810	$215,810			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$848,128	$1,915	$846,212	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$7,071	$7,956	$886		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$647	$728	$81		
CSC Depreciation	$141	$158	$18		
CSC Net Plant/Depreciation Revenue Requirement	$788	$887	$99		
			$1,915		Total NUP difference
			$0		Non-CSC Overspend in Total NUP
			($10)		10% CSC NUP overspend absorbed by Company
			$99		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend, add CSC NUP overspend to the deferral			$89	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$846,301	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of CSC Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 5

Total Net Plant/Depreciation Tracker (Total NUP) Over
CSC Net Plant/Depreciation Tracker (CSC NUP) Over

Result

Since the CSC NUP is over, the Company obsorbs 10% of CSC NUP overspend, and since the level of CSC NUP overspend is greater than the Total NUP overspend, the Total NUP overspend represents the CSC NUP overspend that is added to the Total NUP deferral.

Deferral Calculation

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,906,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$632,317			
Depreciation	$214,810	$214,909			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$847,227	$1,014	$846,212	(a)

	CSC Revenue Requirement in Petition	Assumed Actual Results	Deferral		
CSC Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
CSC Average Net Plant	$7,071	$20,000	$12,929		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$647	$1,831	$1,184		
CSC Depreciation	$141	$350	$209		
CSC Net Plant/Depreciation Revenue Requirement	$788	$2,181	$1,393		
			$1,014		Total NUP difference
			$0		Non-CSC Overspend in Total NUP
			($139)		10% CSC NUP overspend absorbed by Company
			$1,014		CSC NUP Overspend not in Total NUP
CSC Reconciliation Mechanism - Company absorbs 10% of CSC NUP overspend, add CSC NUP overspend to the deferral			$875	(b)	Net Adjustment to Total NUP
Combined Total NUP and CSC NUP Regulatory Asset			$847,088	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 1

Total Net Plant/Depreciation Tracker (Total NUP)	Under
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Under

Since the level of Cust Conn NUP underspend is greater than the Total NUP underspend, it indicates the Total NUP without Cust Conn is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,330			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,356			
Depreciation	$214,810	$214,810			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,167	($46)	$846,167	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$6,018	$2,018	($4,000)		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$185	($366)		
Cust Conn Depreciation	$126	$97	($29)		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$282	($395)		
			($46)		Total NUP difference
			$349		Non-Cust Conn Overspend in Total NUP
			($349)		Non-deferrable Non-Cust Conn Overspend in Total NUP
Cust Conn Reconciliation Mechanism - remove non-Cust Conn NUP overspend from the deferral			($349)	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$845,817	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 2

Total Net Plant/Depreciation Tracker (Total NUP)	Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Under

Since the level of Cust Conn NUP underspend is greater than the Total NUP overspend, it indicates the Total NUP without Cust Conn is over the Total NUP Cap and the amount over the Cap is adjusted from the deferral.

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,402			
Depreciation	$214,810	$215,310			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,712	$500	$846,212	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$6,018	$1,018	($5,000)		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$93	($458)		
Cust Conn Depreciation	$126	$76	($50)		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$169	($508)		
			$500		Total NUP difference
			$1,008		Non-Cust Conn Overspend in Total NUP
			($508)		Non-deferrable Non-Cust Conn Overspend in Total NUP
Cust Conn Reconciliation Mechanism - remove non-Cust Conn NUP overspend from the deferral			($508)	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$845,705	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 3

Total Net Plant/Depreciation Tracker (Total NUP)	Under
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP underspend, Total NUP without Cust Conn is not over the Total NUP Cap and no adjustment to the Total NUP deferral is necessary.

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,896,330			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,356			
Depreciation	$214,810	$214,310			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$845,667	($546)	$845,667	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$6,018	$19,885	$13,866		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$1,820	$1,269		
Cust Conn Depreciation	$126	$416	$290		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$2,236	$1,559		
			($546)		Total NUP difference
			$1,559		Non-Cust Conn Overspend in Total NUP
			$0		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - No adjustment			$0	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$845,667	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 4

Total Net Plant/Depreciation Tracker (Total NUP)	Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is less than the Total NUP overspend, the Cust Conn NUP overspend is added to the Total NUP deferral.

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)		
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028				
Average Net Plant	$6,896,830	$6,906,830				
Pre-Tax Return %	9.15%	9.15%				
Return on Ratebase	$631,402	$632,317				
Depreciation	$214,810	$215,810				
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$848,128	$1,915	$846,212	(a)	

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$6,018	$19,885	$13,866		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$1,820	$1,269		
Cust Conn Depreciation	$126	$416	$290		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$2,236	$1,559		
			$1,915		Total NUP difference
			$0		Non-Cust Conn Overspend in Total NUP
			$1,559		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - add Cust Conn NUP overspend to the deferral			$1,559	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$847,772	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 5

Total Net Plant/Depreciation Tracker (Total NUP)	Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP overspend, the Total NUP overspend represents the Cust Conn NUP overspend that is added to the Total NUP deferral.

	Revenue Requirement	Assumed Actual Results	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Average Net Plant	$6,896,830	$6,901,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,860			
Depreciation	$214,810	$214,909			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,769	$557	$846,212	(a)

	Cust Conn Revenue Requirement in Petition	Assumed Actual Results	Deferral		
Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	FY2028	FY2028			
Cust Conn Average Net Plant	$6,018	$19,885	$13,866		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$1,820	$1,269		
Cust Conn Depreciation	$126	$416	$290		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$2,236	$1,559		
			$557		Total NUP difference
			$0		Non-Cust Conn Overspend in Total NUP
			$557		Cust Conn Overspend not in NUP
Cust Conn Reconciliation Mechanism - add Cust Conn NUP overspend to the deferral			$557	(b)	Net Adjustment to Total NUP
Combined Total NUP and Cust Conn NUP Regulatory Asset			$846,769	(a + b)	

Keyspan Gas East Corporation d/b/a National Grid
Example of Customer Connection Tracker and Net Utility Plant Reconciliation Mechanism
Net Utility Plant/Depreciation Tracker is a Two Way Mechanism with a Upward Cap
($000's)

Example 6

Total Net Plant/Depreciation Tracker (Total NUP)	Over
Customer Connection Net Plant/Depreciation Tracker (Cust Conn NUP)	Over

Since the level of Cust Conn NUP overspend is greater than the Total NUP overspend and greater than the Cust Conn NUP 90%/10% Cap, the Total NUP overspend represents the Cust Conn NUP overspend that is added to the Total NUP deferral but adjusted for the Company's 10% share of the amount over the Cust Conn NUP 90%/10% Cap.

Net Utility Plant/ Depreciation Tracker Mechanism	Revenue Requirement FY2028	Assumed Actual Results FY2028	Over/(Under) Cap	Difference (Deferral Up to Cap)	
Average Net Plant	$6,896,830	$6,901,830			
Pre-Tax Return %	9.15%	9.15%			
Return on Ratebase	$631,402	$631,860			
Depreciation	$214,810	$214,909			
Total Net Plant/Depreciation Revenue Requirement up to Cap	$846,212	$846,769	$557	$846,212	(a)

Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism	Cust Conn Revenue Requirement in Petition FY2028	Assumed Actual Results FY2028	Deferral		
Cust Conn Average Net Plant	$6,018	$14,913	$8,895		
Pre-Tax Return %	9.15%	9.15%	9.15%		
Return on Ratebase	$551	$1,365	$814		
Cust Conn Depreciation	$126	$292	$167		
Cust Conn Net Plant/Depreciation Revenue Requirement	$677	$1,658	$981		
			$557		Cust Conn Overspend not in NUP
			$557	(b)	Net Adjustment to Total NUP

Cust Conn Net Utility Plant/ Depreciation Tracker Mechanism Above the Cap	Cust Conn Revenue F FY2028	Assumed Actual Results FY2028		
Cust Conn Average Net Plant	$11,596	$14,913	$3,317	
Pre-Tax Return %	9.15%	9.15%	9.15%	
Return on Ratebase	$1,062	$1,365	$304	
Cust Conn Depreciation	$242	$312	$69	
Cust Conn Net Plant/Depreciation Revenue Requirement	$1,304	$1,677	$373	
Cust Conn Reconciliation Mechanism - Company's 10% share of Cust Conn NUP over the Cust Conn NUP 90%/10% Cap			-$37	(c) 10% Overspend absorbed by Company
Combined Total NUP and Cust Conn NUP Regulatory Asset			$846,732	(a + b + c)

PSC NO: 12 GAS LEAF: 7.1
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 9
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 8
STAMPS:

TABLE OF CONTENTS - Continued

		LEAF No.
55.	Earning Adjustment Mechanism	138.55.2
56.	System Benefits Charge	138.55.3
57.	Reserved for Future Use	138.55.4
58.	Non-Labor Demand Response Operation & Maintenance Cost	138.55.5
59.	Reserved for Future Use	138.55.6
60.	Reserved for Future Use	138.55.7
60.1	Rate Adjustment Mechanism	138.55.7.1
60.2	Rate Stabilization Mechanism	138.55.7.2
60.3	Mandated Incremental Pipeline Safety Mechanism	138.55.7.3
61.	Delivery Rate Adjustment	138.56
62.	Community Choice Aggregation	138.57
63.	Firm Gas Demand Response (“DR”) for Commercial, Industrial and Multi-Family Customers	138.59
64.	Firm Gas Demand Response (“DR”) for Residential and Small//Medium Business Customers	138.79
65.	Compensation to Customers Experiencing Widespread Prolonged Outages	138.90

DRAFT

PSC NO: 12 GAS LEAF: 114.2
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 14
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 13
STAMPS:

GENERAL INFORMATION – Continued

All customers receiving the EJP rate will be responsible for all of the surcharges, excluding the Revenue Decoupling Mechanism surcharge/credit, Arrears Management Program, Rate Adjustment Mechanism and Rate Stabilization Mechanism as applicable under the customer's Service Classification Nos. 2 and 17-2.

All monthly gas consumption not meeting the discount qualifications of this Rider shall be billed at the customer's applicable Service Classification Nos. 2 and 17-2 rates and charges.

The above-mentioned rates will be revised and changed, if required, during each rate change proceeding. Any revised rates will apply to existing customers served by the Rider as well as to newly certified customers.

Service Classification Nos. 4B and 17-4B:

For existing customers meeting the increased consumption criteria stated above, the following delivery rate shall apply to any gas consumption above the stated monthly base load in excess of the consumption included in the minimum charge. For new customers, the following delivery rate applies to all gas consumption in excess of the consumption included in the minimum charge:

Service Classification	EJP ($/therm)	NE:NY Program ($/therm)	Total EJP: EJP + NE:NY Program
SC 4B and 17-4B	$0.09491	$0.02601	$0.12092

All customers receiving the EJP rate will be responsible for the Monthly Minimum Charge under the customer's applicable Service Classification Nos. 4B and 17-4B.

All customers receiving the EJP rate will be responsible for all of the surcharges excluding the Arrears Management Program, Rate Adjustment Mechanism and Rate Stabilization Mechanism, as applicable under the customer's Service Classification Nos. 4B and 17-4B.

All monthly gas consumption not meeting the discount qualifications of this Rider shall be billed at the customer's applicable Service Classification Nos. 4B and 17-4B rates and charges.

The above-mentioned rates will be revised and changed, if required, during each rate change proceeding. Any revised rates will apply to existing customers served by the Rider as well as to newly certified customers.

DRAFT

PSC NO: 12 GAS LEAF: 114.3
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 12
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 11
STAMPS:

GENERAL INFORMATION – Continued

Service Classification Nos. 22 (Commercial) and 18-22 (Commercial):

Available for service rendered from May 1st through October 31st only.

For existing customers meeting the increased consumption criteria stated above, the following delivery rate shall apply to any gas consumption above the stated monthly base load in excess of the consumption included in the minimum charge. For new customers, the following delivery rate applies to all gas consumption in excess of the consumption included in the minimum charge:

Service Classification	EJP ($/therm)	NE:NY Program ($/therm)	Total EJP: EJP + NE:NY Program
SC 18 and 18-22	$0.00160	$0.02815	$0.02975

All customers receiving the EJP rate will be responsible for the Monthly Minimum Charge under the customer's applicable Service Classification Nos. 22 and 18-22.

All customers receiving the EJP rate will be responsible for all of the surcharges excluding the Arrears Management Program, Rate Adjustment Mechanism and Rate Stabilization Mechanism, as applicable under the customer's Service Classification Nos. 22 and 18-22.

All monthly gas consumption not meeting the discount qualifications of this Rider shall be billed at the customer's applicable Service Classification Nos. 22 and 18-22 rates and charges.

The above-mentioned rates will be revised and changed, if required, during each rate change proceeding. Any revised rates will apply to existing customers served by the Rider as well as to newly certified customers.

DRAFT

PSC NO: 12 GAS LEAF: 138.55.7.2
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 4
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 3
STAMPS:

GENERAL INFORMATION – Continued

60.2 Rate Stabilization Mechanism ("RSM")

The Rate Stabilization Mechanism ("RSM") is designed to recover the fiscal year 2028 deferral activity related to property taxes and site investigation and remediation ("SIR") costs. These deferral amounts are incremental to the property tax and SIR deferrals that are and will continue to be recovered through the RAM and the SIR surcharge, respectively.

The RSM is an annual surcharge that is capped at 2.5% of the Company's total operating revenues, as reported in the prior year's PSC Annual Report. The RSM will continue until the fiscal year 2028 deferral activity related to property taxes and SIR costs have been fully recovered.

Property tax costs will be allocated among service classes using a plant-based property tax allocator.

The Property Tax Allocators are as follows:

	Property Tax
Service Class	Plant-Based Property Tax
SC-1A Residential Non-Heat	16.0344%
SC-1B Residential Heat	53.0348%
SC-1DG Residential DG	0.0008%
SC-2-1 Non-Residential Non-Heat	2.5026%
SC-2-2 Non-Residential Heat	7.9654%
SC-3 Multi-Family	18.3736%
SC-4A High Load Factor	0.4566%
SC-4A CNG	0.0597%
SC-4B Year-Round AC	0.0495%
SC-7 Seasonal	0.0001%
SC-21 DG Sales	0.3653%
SC-22 NFDR	1.1573%

DRAFT

PSC NO: 12 GAS LEAF: 138.55.7.2.1
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION:
STAMPS:

GENERAL INFORMATION – Continued

60.2 Rate Stabilization Mechanism ("RSM") Continued

SIR costs will be allocated using a total firm delivery revenue allocator.

SIR Allocators are as follows:

	SIR
Service Class	Total Firm Delivery Revenue
SC-1A Residential Non-Heat	3.512%
SC-1B Residential Heat	48.795%
SC-1DG Residential DG	0.001%
SC-2-1 Non-Residential Non-Heat	8.028%
SC-2-2 Non-Residential Heat	10.566%
SC-3 Multi-Family	24.481%
SC-4A High Load Factor	2.170%
SC-4A CNG	0.344%
SC-4B Year-Round AC	0.121%
SC-7 Seasonal	0.001%
SC-21 DG Sales	1.981%
SC-22 and SC-18-22 NFDR	N/A

The RSM appears on the Statement of Rate Stabilization Mechanism and is included in the Delivery Rate Adjustment ("DRA") Statement for customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 firm sales, SC 17 firm transportation, SC 22 and SC 18-22 Non-Firm Demand Response, excluding deliveries of EJP qualifying load.

The Company will initially file the RSM statement to become effective May 1, 2028, on not less than three days' notice. Thereafter, the surcharge will be reconciled annually to include any over or under recoveries from the prior year, and adjusted for carrying charges at the Company's pre-tax weighted average cost of capital.

PSC NO: 12 GAS LEAF: 138.56
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 16
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 15
STAMPS:

GENERAL INFORMATION – Continued

61. DELIVERY RATE ADJUSTMENT ("DRA")

a. Firm Service Classifications:
The Delivery Rate Adjustment ("DRA") will apply to all customers being served under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2-1, 2-2, 3, 4A, 4A-CNG, 4B, 7, 17 and 21. The DRA will appear as a separate line item on the customer's bill.

Where applicable, the DRA will consist of the following for firm sales and firm transportation customers:

1. Weather normalization adjustment applicable to certain heating customers (as explained on Leaf Nos. 80 through 83).
2. Site investigation and remediation surcharge (as explained on Leaf No. 138.50).
3. Revenue Decoupling Mechanism (as explained on Leaf No. 138.52).
4. Non-Firm Demand Response Revenues Reconciliation Surcharge (as explained on Leaf No. 138.54).
5. Electric Generator Revenue Reconciliation (as explained on Leaf No. 138.55).
6. New York Facilities System Surcharge (as explained on Leaf No. 138.55.1).
7. Earnings Adjustment Mechanism (as explained on Leaf No. 138.55.2).
8. Non Labor Demand Response Operation & Maintenance Cost (as explained on Leaf No. 138.55.5).
9. Arrears Management Program Recovery Surcharge (as explained on Leaf Nos. 138.50 and 138.50.1).
10. Rate Adjustment Mechanism (as explained on Leaf No. 138.55.7.1).
11. Rate Stabilization Mechanism (as explained on Leaf No. 138.55.7.2).
12. Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 138.55.7.3).

DRAFT

PSC NO: 12 GAS LEAF: 138.56.1
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 5
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 4
STAMPS:

GENERAL INFORMATION – Continued

61. DELIVERY RATE ADJUSTMENT ("DRA") (Continued)

b. Non-Firm Demand Response Service Classifications:
Additionally, the Delivery Rate Adjustment ("DRA") will also apply to all customers being served under Service Classification Nos. 22 and 18-22. The DRA will appear as a separate line item on the customer's bill.

Where applicable, the DRA will consist of the following:

1. Arrears Management Program Recovery Surcharge (as explained on Leaf Nos. 138.50 and 138.50.1).
2. Rate Adjustment Mechanism (as explained on Leaf No. 138.55.7.1).
3. Rate Stabilization Mechanism (as explained on Leaf No. 138.55.7.2).
4. Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 138.55.7.3).

DRAFT

PSC NO: 12 GAS LEAF: 372
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 25
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 24
STAMPS:

SERVICE CLASSIFICATION No. 18 - Continued

D. NON-CORE TRANSPORTATION SERVICE RATES

1. Non-Core Gas Customers
The Customer shall pay the following monthly charges for transportation service on the Company's delivery system hereunder, subject to the Special Pricing Provisions contained herein:

a) NCTS 18-22 Non-Firm Demand Response Transportation Service

Tier 1 - Customers with fully automatic switchover equipment:

Formerly 18-6C1 and 18-6G1
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3793 per therm

Formerly 18-6C2 and 18-6G2
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3793 per therm

Formerly 18-6M1 and 18-6M2
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3153 per therm

Formerly 18-6M3 and 18-6M4
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3153 per therm

In addition to the charges above, there will be Arrears Management Program Recovery Surcharge (as explained in Rule 48), Rate Adjustment Mechanism (as explained in Rule 60.1), Mandated Incremental Pipeline Safety Mechanism (as explained in Rule 60.3) and Rate Stabilization Mechanism (as explained in Rule 60.2). These charges will appear in the Delivery Rate Adjustment. Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 35) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 36) and the System Performance Adjustment Mechanism (as explained in Rule 34.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

DRAFT

PSC NO: 12 GAS LEAF: 373
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 27
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 26
STAMPS:

SERVICE CLASSIFICATION No. 18 - Continued

D. NON-CORE TRANSPORTATION SERVICE RATES (continued)

1. Non-Core Gas Customers (continued)

a) NCTS-18-22 – Non-Firm Demand Response Transportation Service

2) Tier 2 - Customers without fully automatic switchover equipment:

Formerly 18-6C1 and 18-6G1
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3034 per therm

Formerly 18-6C2 and 18-6G2
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.3034 per therm

Formerly 18-6M1 and 18-6M2
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.2524 per therm

Formerly 18-6M3 and 18-6M4
Monthly Minimum Charge will be:
First 10 therms: $375.00 per month
Volumetric Rate Per Therm: $ 0.2524 per therm

In addition to the charges above, there will be Arrears Management Program Recovery Surcharge (as explained in Rule 48), Rate Adjustment Mechanism (as explained in Rule 60.1), Mandated Incremental Pipeline Safety Mechanism (as explained in Rule 60.3) and Rate Stabilization Mechanism (as explained in Rule 60.2). These charges will appear in the Delivery Rate Adjustment. Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 35) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 36) and the System Performance Adjustment Mechanism (as explained in Rule 34.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

Customers with fully automatic switching equipment may choose either tier for service.

DRAFT

PSC NO: 12 GAS LEAF: 427.34.1
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 11
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 10
STAMPS:

SERVICE CLASSIFICATION No. 22 (Continued)

Non-Firm Demand Response Monthly Cost of Gas Tier 1:
Each month, the non-firm demand response monthly cost of gas will be the *lower* of:

1. Weighted Monthly Incremental Cost of Gas ("ICOG"): is the ICOG weighted by the upstream pipeline city gates and volumes used to determine deliveries to non-firm customers, plus the demand charge reduced to ten percent of the allocated pipeline transportation costs, plus a merchant function charge and plus the applicable LAUF factor or
2. The firm Monthly Cost of Gas (excluding adjustments).

In addition to the charges above, there will be Arrears Management Program Recovery Surcharge (as explained in Rule 48), Rate Adjustment Mechanism (as explained in Rule 60.1), Mandated Incremental Pipeline Safety Mechanism (as explained in Rule 60.3) and Rate Stabilization Mechanism (as explained in Rule 60.2). These charges will appear in the Delivery Rate Adjustment. Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 35) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 36) and the System Performance Adjustment Mechanism (as explained in Rule 34.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

Tier 2 - Customers without fully automatic switchover equipment:

Formerly 6C1 and 6G1
Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.3034 per therm

Formerly 6C2 and 6G2
Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.3034 per therm

Formerly 6M1 and 6M2
Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.2524 per therm

Formerly 6M3 and 6M4
Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.2524 per therm

PSC NO: 12 GAS LEAF: 427.34.2
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 7
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 6
STAMPS:

SERVICE CLASSIFICATION No. 22 (Continued)

Non-Firm Demand Response Monthly Cost of Gas Tier 2:
Each month, the non-firm demand response monthly cost of gas will be the *lower* of:

1. Weighted Monthly Incremental Cost of Gas ("ICOG"): is the ICOG weighted by the upstream pipeline city gates and volumes used to determine deliveries to non-firm customers, plus the demand charge reduced to ten percent of the allocated pipeline transportation costs, plus a merchant function charge and plus the applicable LAUF" factor or
2. The firm Monthly Cost of Gas (excluding adjustments).

In addition to the charges above, there will be Arrears Management Program Recovery Surcharge (as explained in Rule 48), Rate Adjustment Mechanism (as explained in Rule 60.1), Mandated Incremental Pipeline Safety Mechanism (as explained in Rule 60.3) and Rate Stabilization Mechanism (as explained in Rule 60.2). These charges will appear in the Delivery Rate Adjustment. Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 35) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Rule 36) and the System Performance Adjustment Mechanism (as explained in Rule 34.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

Tier 1 Customers Electing Tier 2 Service

For the winter period commencing November 1, 2021, customers with automatic switching equipment had to provide their tier election by September 1, 2021 to commence October 1, 2021. Beginning with Winter 2022/2023, customers with automatic switching equipment must provide 120 days' notice to choose a tier for the upcoming winter period commencing November 1st. Customers with automatic switching equipment that do not request a specific tier will be placed in Tier 1. This election is for the entire year (November – October).

DRAFT

PSC NO: 1 GAS LEAF: 6.1
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 13
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 12
STAMPS:

TABLE OF CONTENTS (continued)

General Information (continued)

Special Meter Reading Fee..... 119.49

Customer Billing Arrangements..... 119.49

Customer Billing Charge..... 119.49

Site Investigation and Remediation (SIR) Recovery Surcharge..... 119.50

Reserved for Future Use..... 119.50.1

Arrears Management Program Recovery Surcharge..... 119.51

Revenue Decoupling Mechanism..... 119.52

Reserved for Future Use..... 119.52.2

Non-Firm Demand Response Revenues Reconciliation Surcharge..... 119.52.2

Electric Generator Revenue Reconciliation..... 119.52.3

New York Facilities System Surcharge/Surcredit..... 119.52.4

Earnings Adjustment Mechanism..... 119.52.5

Reserved for Future Use..... 119.52.6

Non-Labor Demand Response Operation & Maintenance Cost..... 119.52.7

System Benefits Charge..... 119.52.8

Reserved for Future Use..... 119.52.9

Rate Adjustment Mechanism..... 119.52.10

Rate Stabilization Mechanism 119.52.11

Mandated Incremental Pipeline Safety Mechanism..... 119.52.12

Delivery Rate Adjustment..... 119.53

COMMUNITY CHOICE AGGREGATION (“CCA”) PROGRAM..... 119.53.1

Firm Gas Demand Response (“DR”) for Commercial, Industrial and Multi-Family Customers..... 119.55

DRAFT

PSC NO: 1 GAS LEAF: 79.2.3
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 13
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 12
STAMPS:

GENERAL INFORMATION

III. **Adjustments of Rates and Charges (continued):**

7. RIDER - EXCELSIOR JOBS PROGRAM (continued):

EJP Rate

Service Classification Nos. 2A, 2B, 5-2A and 5-2B:

For existing customers meeting the increased consumption criteria stated above, the following delivery rate shall apply to any gas consumption above the stated monthly base load in excess of the consumption included in the minimum charge. For new customers, the following delivery rate applies to all gas consumption in excess of the consumption included in the minimum charge:

Service Classification	EJP ($/therm)	NE:NY Program($/therm)	Total EJP: EJP + NE:NY Program
2A, 5-2A	$0.02266	$0.02918	$0.05184
2B, 5-2B	$0.09090	$0.02949	$0.12039

All customers receiving the EJP rate will be responsible for the Monthly Minimum Charge under the customer's applicable Service Classification Nos. 2A, 2B, 5-2A and 5-2B.

All customers receiving the EJP rate will be responsible for all of the surcharges, excluding the Revenue Decoupling Mechanism surcharge/credit, Arrears Management Program, Rate Adjustment Mechanism and Rate Stabilization Mechanism, as applicable under the customer's Service Classification Nos. 2A, 2B, 5-2A and 5-2B.

All monthly gas consumption not meeting the discount qualifications of this Rider shall be billed at the customer's applicable Service Classification Nos. 2A, 2B, 5-2A and 5-2B rates and charges.

The above-mentioned rates will be revised and changed, if required, during each rate change proceeding. Any revised rates will apply to existing customers served by the Rider as well as to newly certified customers.

DRAFT

PSC NO: 1 GAS LEAF:119.52.11
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 3
STAMPS:

GENERAL INFORMATION – Continued

Rate Stabilization Mechanism ("RSM")

The Rate Stabilization Mechanism ("RSM") is designed to recover the fiscal year 2028 deferral activity related to property taxes and site investigation and remediation ("SIR") costs. These deferral amounts are incremental to the property tax and SIR deferrals that are and will continue to be recovered through the RAM and the SIR surcharge, respectively.

The RSM is an annual surcharge that is capped at 2.5% of the Company's total operating revenues, as reported in the prior year's PSC Annual Report. The RSM will continue until the fiscal year 2028 deferral activity related to property taxes and SIR costs have been fully recovered.

Property tax costs will be allocated among service classes using a plant-based property tax allocator.

The Property Tax Allocators are as follows:

	Property Tax
Service Class	Plant-Based Property Tax
SC-1A Residential Non-Heat	4.751%
SC-1B Residential Heat	68.491%
SC-1DG Residential DG	0.002%
SC-2A Non-Residential Non-Heat	2.628%
SC-2B Non-Residential Heat	19.582%
SC-3 Multi-Dwelling	3.199%
SC-9 Wholesale NGV	0.091%
SC-15 HLF Service	0.480%
SC-16 Yr Round Space AC	0.663%
SC-17 DG Sales	0.001%
SC-18 and SC-19 NFDR	0.113%

DRAFT

PSC NO: 1 GAS LEAF:119.52.11.1
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 3
STAMPS:

GENERAL INFORMATION – Continued

Rate Stabilization Mechanism ("RSM") Continued

SIR costs will be allocated using a total firm delivery revenue allocator.

SIR Allocators are as follows:

	SIR
Service Class	Total Firm Delivery Revenue
SC-1A Residential Non-Heat	1.375%
SC-1B Residential Heat	55.210%
SC-1DG Residential DG	0.002%
SC-2A Non-Residential Non-Heat	10.204%
SC-2B Non-Residential Heat	22.643%
SC-3 Multi-Dwelling	4.866%
SC-9 Wholesale NGV	0.627%
SC-15 HLF Service	2.443%
SC-16 Year-Round AC	2.624%
SC-17 DG Sales	0.007%
SC-18	N/A

The RSM appears on the Statement of Rate Stabilization Mechanism and is included in the Delivery Rate Adjustment ("DRA") Statement for customers served under SC 1, 2, 3, 9, 15, 16, and 17 firm sales, SC 5 firm transportation, SC 18 and SC 19 Non-Firm Demand Response, excluding deliveries of EJP qualifying load.

The Company will initially file the RSM statement to become effective May 1, 2028, on not less than three days' notice. Thereafter, the surcharge will be reconciled annually to include any over or under recoveries from the prior year, and adjusted for carrying charges at the Company's pre-tax weighted average cost of capital.

DRAFT

PSC NO: 1 GAS LEAF: 119.53
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 21
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 20
STAMPS:

GENERAL INFORMATION – Continued

Delivery Rate Adjustment ("DRA")

a. Firm Service Classifications:
The Delivery Rate Adjustment ("DRA") will apply to all customers being served under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2A, 2B, 3A, 3B, 5, 9, 15, 16 and 17. The DRA will appear as a separate line item on the customer's bill.

Where applicable, the DRA will consist of the following for firm sales and firm transportation customers:

1. Weather normalization adjustment applicable to certain heating customers (as explained on Leaf Nos. 78 and 79.)
2. Site and Investigation and Remediation surcharge (as explained on Leaf No. 119.50).
3. Non-Firm Demand Response Revenue Reconciliation Surcharge (as explained on Leaf No. 119.52.2).
4. Electric Generator Revenue Surcharge (as explained on Leaf No. 119.52.3).
5. Revenue Decoupling Mechanism (as explained on Leaf No. 119.52).
6. New York Facilities System Surcharge/Surcredit (as explained on Leaf No. 119.52.4).
7. Earnings Adjustment Mechanism (as explained on Leaf No.119.52.5).
8. Non-Labor Demand Response Operation & Maintenance Cost (as explained on Leaf No. 119.52.7).
9. Arrears Management Program Recovery Surcharge (as explained on Leaf No. 119.51).
10. Rate Adjustment Mechanism (as explained on Leaf 119.52.10).
11. Rate Stabilization Mechanism (as explained on Leaf 119.52.11).
12. Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12).

b. Non-Firm Demand Response Service Classifications:

Additionally, the Delivery Rate Adjustment ("DRA") will also apply to all customers being served under Service Classification Nos. 18 and 19. The DRA will appear as a separate line item on the customer's bill.

DRAFT

PSC NO: 1 GAS LEAF: 119.53.1
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 9
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 8
STAMPS:

GENERAL INFORMATION – Continued

Delivery Rate Adjustment ("DRA") - continued

Where applicable, the DRA will consist of the following:

1. Rate Adjustment Mechanism (as explained on Leaf 119.52.10).
2. Rate Stabilization Mechanism (as explained on Leaf 119.52.11).
3. Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12).

COMMUNITY CHOICE AGGREGATION ("CCA") PROGRAM

A CCA Program allows municipalities (villages, towns and cities) to aggregate the usage of eligible CCA customers (residential and small non-residential customers) within a defined jurisdiction in order to secure an alternative energy supply contract on a community-wide basis.

1. In accordance with Order issued in Case 14-M-0224, before requesting customer data from the Company for participation in a CCA Program, the municipality or their designee (CCA Administrator or ESCO) must:

(a) sign a data security agreement acceptable to the Company, and
(b) have an approved implementation plan and certification of local authorization approved by the NYS PSC.

2. Upon fulfilling the requirements (a) and (b) above, the Company will provide the following information to the municipality or their designee in accordance with the terms stated herein.

(a) Aggregated customer data, including the number of customers by service class, the meter read cycle, the aggregated peak demand (therms) by month for the past 12 months by service class if applicable, and the aggregated energy (therms) by month for the past 12 months by service class. This information will be provided to the municipality or CCA Administrator within twenty days of a request. The above aggregated data will be provided without charge.

DRAFT

PSC NO: 1 GAS LEAF: 219
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 13
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 12
STAMPS:

SERVICE CLASSIFICATION No. 18
NON-FIRM DEMAND RESPONSE SALES SERVICE

Applicable to Use of Service for:
For the use of gas by any consumer in buildings used for commercial or industrial purposes upon written application for heating and water heating or heating and water heating and process steam; and/or air conditioning or cogeneration where the total rated hourly Btu input to supply gas-fired equipment installed for such use is 1,000,000 Btu per hour or greater subject to the Special Provisions herein.

Character of Service:
Natural gas of not less than 975 Btu, dry basis, per cubic foot at a pressure of not less than four inches of water column gauge, as measured at the consumer's end of the service line.

Rate Schedule 1:
Tier 1 - Customers with fully automatic switchover equipment:

Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.3576 per therm

Non-Firm Demand Response Monthly Cost of Gas Tier 1:
Each month, the non-firm demand response monthly cost of gas will be the *lower* of:

1. Weighted Monthly Incremental Cost of Gas ("ICOG"): is the ICOG weighted by the upstream pipeline city gates and volumes used to determine deliveries to non-firm customers, plus the demand charge reduced to ten percent of the allocated pipeline transportation costs, plus a merchant function charge and plus the applicable LAUF factor or
2. The firm Monthly Cost of Gas (excluding adjustments).

In addition to the charges above, there will be Rate Adjustment Mechanism (as explained on Leaf No. 119.52.10), Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12) and Rate Stabilization Mechanism (as explained on Leaf 119.52.11). Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Leaf No. 73) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Leaf 73.2.1) and the System Performance Adjustment Mechanism (as explained in Leaf No. 69.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

DRAFT

PSC NO: 1 GAS LEAF: 219.1
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 9
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 8
STAMPS:

SERVICE CLASSIFICATION No. 18 (Continued)

Tier 2 - Customers without fully automatic switchover equipment:
Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.2858 per therm

Customers with fully automatic switching equipment may choose either tier for service.

Non-Firm Demand Response Monthly Cost of Gas Tier 1:
Each month, the non-firm demand response monthly cost of gas will be the *lower* of:

1. Weighted Monthly Incremental Cost of Gas ("ICOG"): is the ICOG weighted by the upstream pipeline city gates and volumes used to determine deliveries to non-firm customers, plus the demand charge reduced to ten percent of the allocated pipeline transportation costs, plus a merchant function charge and plus the applicable LAUF" factor or
2. The firm Monthly Cost of Gas (excluding adjustments).

In addition to the charges above, there will be Rate Adjustment Mechanism (as explained on Leaf No. 119.52.10), Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12) and Rate Stabilization Mechanism (as explained on Leaf 119.52.11). Effective September 1, 2024, the Monthly Cost of Gas Imbalance Surcharge or Refund (as explained in Leaf No. 73) will apply. Effective January 1, 2026, the Annual Cost of Gas Imbalance Surcharge or Refund (as explained in Leaf 73.2.1) and the System Performance Adjustment Mechanism (as explained in Leaf No. 69.1) will apply. Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

Not less than two business days prior to the date to be effective, the Company will file the Statement of Non-Firm Demand Response Sales and Transportation Rates with the Public Service Commission. The statement will reflect a unit commodity rate per therm applicable to all sales exceeding the minimum consumption of 10 therms per month.

DRAFT

PSC NO: 1 GAS LEAF: 231
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 12
INITIAL EFFECTIVE DATE: 04/01/28 SUPERSEDING REVISION: 11
STAMPS:

SERVICE CLASSIFICATION No. 19 - Continued

C. Rate Information:

Tier 1 - Customers with fully automatic switchover equipment:

Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.3576 per therm

In addition to the charges above, there will be an Annual Gas Imbalance Adjustment (as explained in Leaf No. 73.2.1), System Performance Adjustment (as explained in Leaf No. 69.1), Demand Capacity Surcharge Mechanism (as explained in Leaf No. 119.52.6), Rate Adjustment Mechanism (as explained on Leaf No. 119.52.10), Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12) and Rate Stabilization Mechanism (as explained on Leaf 119.52.11). Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

Tier 2 - Customers without fully automatic switchover equipment:

Monthly Minimum Charge will be:

First 10 therms:	$375.00 per month
Volumetric Rate Per Therm:	$ 0.2858 per therm

In addition to the charges above, there will be an Annual Gas Imbalance Adjustment (as explained in Leaf No. 73.2.1), System Performance Adjustment (as explained in Leaf No. 69.1), Rate Adjustment Mechanism (as explained on Leaf No. 119.52.10), Mandated Incremental Pipeline Safety Mechanism (as explained on Leaf No. 119.52.12) and Rate Stabilization Mechanism (as explained on Leaf 119.52.11). Effective January 1, 2026, the System Benefits Charge will appear under the delivery section of the bill.

D. Monthly Minimum Charge:

Tier 1 and Tier 2

$375.00 per meter, per month, exclusive of Increase in Rates and Charges.

DRAFT

The Brooklyn Union Gas Company d/b/a National Grid New York
Rate Stabilization Mechanism Unit Rate Calculation - Estimated Bill Impact
Whole Dollars

Calendar Year 2025 Operating Revenues per PSC Annual Report	$2,735,095,405
2.5% Proposed Cap	2.5%
Estimated RSM Cap	$68,377,385

	Amount	Allocation	Allocated Recovery for Bill Impact	Carryover Balance to Subsequent Years
Estimated FY28 SIR Deferral	$118,771,041	50.3%	$34,391,031	$84,380,010
Estimated FY28 Property Tax Deferral	$117,373,469	49.7%	$33,986,354	$83,387,115
Total FY28 Deferral for SIR & Property Taxes	$236,144,510	100.0%	$68,377,385	$167,767,125

1. SIR

SIR Unit Rate Calculation - Estimated Bill Impact
Collection Period : May 1, 2028 - April 30, 2029

Service Class	Total SIR $	Total Firm Delivery Revenues $ [1]	Allocation %	Allocated SIR $	Forecast sales - (therms) (May 1, 2028 - April 30, 2029)	SIR $/therm rate
SC-1A Residential NonHeat		$5,500,139	3.512%	$1,207,841	48,036,004	$0.02514
SC-1B Residential Heat		$76,416,243	48.795%	$16,781,159	744,763,969	$0.02253
SC-1DG Residential DG		$1,171	0.001%	$257	20,724	$0.01241
SC-2-1 Non-Residential NonHeat		$12,572,697	8.028%	$2,760,989	118,044,820	$0.02339
SC-2-2 Non-Residential Heat		$16,546,642	10.566%	$3,633,675	171,814,010	$0.02115
SC-3 Multiple Family		$38,338,859	24.481%	$8,419,289	349,516,633	$0.02409
SC-4A High Load Factor		$3,398,417	2.170%	$746,299	28,057,735	$0.02660
SC-4A CNG		$537,945	0.344%	$118,134	5,362,255	$0.02203
SC-4B Year-Round AC		$189,346	0.121%	$41,581	1,859,868	$0.02236
SC-7 Seasonal		$1,883	0.001%	$414	24,116	$0.01715
SC-21 DG Sales		$3,102,854	1.981%	$681,393	31,467,286	$0.02165
Total	$34,391,031	$156,606,196	100.0%	$34,391,031	1,498,967,420	

2. Property Tax

Property Tax Unit Rate Calculation - Estimated Bill Impact
Collection Period : May 1, 2028 - April 30, 2029

Service Class	Property Tax	Taxes - Plant Based $ [2]	Allocation %	Allocated Property Tax $	Forecast sales - (therms) (May 1, 2028 - April 30, 2029)	Property Tax True-Up $/therm rate
SC-1A Residential NonHeat		$46,035,503	16.0344%	$5,449,498	48,036,004	$0.11345
SC-1B Residential Heat		$152,265,702	53.0348%	$18,024,601	744,763,969	$0.02420
SC-1DG Residential DG		$2,309	0.0008%	$273	20,724	$0.01319
SC-2-1 Non-Residential NonHeat		$7,184,976	2.5026%	$850,529	118,044,820	$0.00721
SC-2-2 Non-Residential Heat		$22,868,947	7.9654%	$2,707,134	171,814,010	$0.01576
SC-3 Multiple Family		$52,751,549	18.3736%	$6,244,516	349,516,633	$0.01787
SC-4A High Load Factor		$1,310,891	0.4566%	$155,178	28,057,735	$0.00553
SC-4A CNG (including Interruptible)		$171,523	0.0597%	$20,304	5,362,255	$0.00379
SC-4B Year-Round AC		$142,109	0.0495%	$16,822	1,859,868	$0.00904
SC-7 Seasonal		$361	0.0001%	$43	24,116	$0.00177
SC-21 DG Sales		$1,048,678	0.3653%	$124,138	31,467,286	$0.00394
SC-18/22 Non Firm Demand Response		$3,322,617	1.1573%	$393,318	105,229,789	$0.00374
Total	$33,986,354	$287,105,166	100.0%	$33,986,354	1,604,197,209	

Notes:
1: The allocation % is based on Case 23-G-0225, Appendix 3, Schedule 3.8, Line 22
2: The allocation % is based on Case 23-G-0225, Appendix 3, Schedule 3.8, Line 289

3. Total RSM Surcharge : SIR + Property Tax

Service Class	RSM $/therm rate	Average Monthly Usage	Monthly RSM Surcharge	Average Total Monthly Bill	Monthly Total Bill Impact	Specific Rate Schedule
SC-1A Residential NonHeat	$0.13859	8	$1.11	$62.54	1.8%	
SC-1B Residential Heat	$0.04673	95	$4.44	$278.53	1.6%	
SC-1DG Residential DG	$0.02560	55	$1.41	$103.60	1.4%	
SC-2-1 Non-Residential NonHeat	$0.03060	616	$18.85	$1,051.26	1.8%	
SC-2-2 Non-Residential Heat	$0.03691	403	$14.87	$845.99	1.8%	
SC-3 Multiple Family	$0.04196	1,452	$60.93	$2,379.88	2.6%	
SC-4A High Load Factor	$0.03213	27,841	$894.53	$27,564.26	3.2%	
SC-4A CNG (including Interruptible)	$0.02582	89,391	$2,308.08	$84,245.84	2.7%	
SC-4B Year-Round AC	$0.03140	3,040	$95.46	$4,485.63	2.1%	
SC-7 Seasonal	$0.01892	402	$7.61	$390.73	1.9%	
SC-21 DG Sales	$0.02559	17,869	$457.27	$19,506.76	2.3%	Rate Schedule 1 (November-March)
SC-18/22 Non Firm Demand Response	$0.00374	5,185	$19.39	$4,283.81	0.5%	Commercial Gov't Tier 1

KeySpan Gas East Corporation d/b/a National Grid
Rate Stabilization Mechanism Unit Rate Calculation - Estimated Bill Impact
Whole Dollars

Calendar Year 2025 Operating Revenues per PSC Annual Report	$1,777,128,304
2.5% Proposed Cap	2.5%
Estimated RSM Cap	$44,428,208

	Amount	Allocation	Allocated Recovery for Bill Impact	Carryover Balance to Subsequent Years
Estimated FY28 SIR Deferral	($2,845,358)	-2.6%	($1,166,256)	($1,679,102)
Estimated FY28 Property Tax Deferral	$111,238,547	102.6%	$45,594,463	$65,644,084
Total FY28 Deferral for SIR & Property Taxes	$108,393,189	100.0%	$44,428,208	$63,964,981

1. SIR

SIR Unit Rate Calculation - Estimated Bill Impact
Collection Period : May 1, 2028 - April 30, 2029

Service Class	SIR	Total Firm Delivery Revenues - $ [1]	Allocation %	Allocated SIR $	Forecast sales - (therms) (May 1, 2028 - April 30, 2029)	SIR $/therm rate
SC-1A Residential NonHeat		$1,486,750	$0	($16,031)	11,164,104	($0.00144)
SC-1B Residential Heat		$59,716,444	55.210%	($643,885)	629,886,754	($0.00102)
SC-1DG Res. Dist Gen		$2,692	$0	($29)	32,620	($0.00089)
SC-2A Non-Residential NonHeat		$11,036,468	10.204%	($118,999)	110,343,084	($0.00108)
SC-2B Non-Residential Heat		$24,490,919	22.643%	($264,070)	237,822,701	($0.00111)
SC-3 Multiple Dwelling Heat & NonHeat		$5,262,786	4.866%	($56,745)	48,508,771	($0.00117)
SC-9 Wholesale NGV (including Interruptible)		$678,131	0.627%	($7,312)	6,292,448	($0.00116)
SC-15 HLF Service		$2,642,616	2.443%	($28,494)	25,017,200	($0.00114)
SC-16 Yr Round Space AC		$2,838,334	2.62%	($30,604)	27,800,922	($0.00110)
SC-17 DG Sales		$8,056	0.01%	($87)	1,454,637	($0.00006)
Total	($1,166,256)	$108,163,194	100%	($1,166,256)	1,098,323,241	

2. Property Taxes

Property Tax Unit Rate Calculation - Estimated Bill Impact
Collection Period : May 1, 2028 - April 30, 2029

Service Class	Property Tax	Taxes - Plant Based $ [2]	Allocation %	Allocated Property Tax $	Forecast sales - (therms) (May 1, 2028 - April 30, 2029)	Property Tax True-Up $/therm rate
SC-1A Residential NonHeat		$12,908,512	4.751%	$2,166,140	11,164,104	$0.19403
SC-1B Residential Heat		$186,093,929	68.491%	$31,227,887	629,886,754	$0.04958
SC-1DG Res. Dist Gen		$6,604	0.002%	$1,108	32,620	$0.03397
SC-2A Non-Residential NonHeat		$7,139,513	2.628%	$1,198,061	110,343,084	$0.01086
SC-2B Non-Residential Heat		$53,205,932	19.582%	$8,928,334	237,822,701	$0.03754
SC-3 Multiple Dwelling Heat & NonHeat		$8,690,712	3.199%	$1,458,363	48,508,771	$0.03006
SC-9 Wholesale NGV (including Interruptible)		$247,595	0.091%	$41,548	6,292,448	$0.00660
SC-15 HLF Service		$1,304,090	0.480%	$218,836	25,017,200	$0.00875
SC-16 Yr Round Space AC		$1,801,281	0.663%	$302,268	27,800,922	$0.01087
SC-17 DG Sales		$2,637	0.001%	$443	1,454,637	$0.00030
SC-18/19 Non Firm Demand Response		$306,748	0.113%	$51,475	13,610,274	$0.00378
Total	$45,594,463	$271,707,554	100%	$45,594,463	1,111,933,515	

Notes:
1: The allocation % is based on Case 23-G-0226, Appendix 4, Schedule 3.8, Line 22
2: The allocation % is based on Case 23-G-0226, Appendix 4, Schedule 3.8, Line 265

3. Total RSM Surcharge : SIR + Property Tax

Service Class	RSM $/therm rate	Average Monthly Usage	Monthly RSM Surcharge	Average Total Monthly Bill	Monthly Total Bill Impact	Specific Rate Schedule
SC-1A Residential NonHeat	$0.19259	15	$2.89	$90.84	3.2%	
SC-1B Residential Heat	$0.04856	101	$4.90	$248.97	2.0%	
SC-1DG Res. Dist Gen	$0.03308	246	$8.14	$305.02	2.7%	
SC-2A Non-Residential NonHeat	$0.00978	824	$8.06	$1,292.04	0.6%	
SC-2B Non-Residential Heat	$0.03643	398	$14.50	$787.03	1.8%	
SC-3 Multiple Dwelling Heat & NonHeat	$0.02889	2,313	$66.82	$3,418.21	2.0%	
SC-9 Wholesale NGV (including Interruptible)	$0.00544	47,523	$258.53	$65,475.71	0.4%	
SC-15 HLF Service	$0.00761	13,246	$100.80	$10,826.29	0.9%	
SC-16 Yr Round Space AC	$0.00977	41,495	$405.41	$41,190.73	1.0%	
SC-17 DG Sales	$0.00024	2,297	$0.55	$2,624.15	0.0%	Rate Schedule 1 (November-March)
SC-18/19 Non Firm Demand Response	$0.00378	5,782	$21.86	$4,378.93	0.5%	Tier 1

KEDNY GHG Emissions Reductions (MT CO2e, GWP100)

Investment Name	KEDNY Projection	Staff Adjustment	First Year Of GHG Impact	Reason for Staff Adjustment
Main Replacement - Proactive - Leak Prone Pipe	1,356.53	1,356.53	FY28	
Large Diameter Pipe Rehabilitation	22.07	22.07	FY28	
RMD - Smart Meter	1.00	1.00	FY28	
Service Replacement - Inactive Service Retirement	198.95	198.95	FY28	
Main Protection - Storm Hardening Smart Meters	1.03	1.03	FY28	
Main Replacement - Reactive - Maintenance	286.10	286.10	FY28	
Service Replacement - Reactive - Leaks	87.58	87.58	FY28	
Main Replacement - Low Pressure Pocket Elimination	3.03	3.03	FY28	
Service Replacement - Reactive - Non-Leaks	45.80	45.80	FY28	
Large Diameter Pipe Rehabilitation - CISBOT	44.76	44.76	FY28	
Large Diameter Pipe - CI Joint Encapsulation	12.21	12.21	FY28	
Service Replacement - Atmospheric Corrosion Inside Inspections (Remediation)	73.20	73.20	FY28	
Replace Pipe on Bridges	0.81	0.81	FY28	
Main Upgrades - Water Intrusion	1.48	1.48	FY28	
Gas Reliability	-1.22	-1.22	FY28	
Gas System Reinforcement	23.28	23.28	FY28	
Gas System Reinforcement - Staten Island 15 psig System Retirement	39.71	39.71	FY28	
LNG - Tank 2 Foundation Heaters	-83.69	N/A	FY28	electricity usage
CSC/Public Works - Non Reimbursable	1,321.85	1,321.85	FY28	
Customer Connections	-318.32	-318.32	FY28	
LNG - Relocate Maintenance Area & New Control Building	-78.34	N/A	FY28	(throughput)
Gas System Reinforcement - LTNY11751 - Forest Hills Gate (Kew Gardens Gate)	-1,237.04	-1,237.04	FY30	
Gas Reliability - Newtown Creek Crossing Relocation	0.00	0.00	FY30	
RCV - LTNY12051 - BQ1019	347.03	347.03	FY31	
RCV - LTNY21041 - SI1302	349.26	349.26	FY31	
RCV - LTNY21040 - BQ1048	327.52	327.52	FY29	
LNG - Auxiliary Power Units	-964.43	N/A	FY30	Natural gas combustion for backup generators in case of power outage; will likely produce very few emissions because the likelihood of a power outage is low and the units likely will not run as much as the Company's conservative estimate suggests
LNG - Tail Gas Compressor Upgrade	-119.70	N/A	FY30	electricity usage
Transmission Station Integrity - PHMSA - Canarsie Gate Station	-484.98	-484.98	FY29	
LNG - Nitrogen System Refurbishment	-99.81	N/A	FY30	electricity usage
Total - FY28 Only	3,037.82	3,199.85		
Total - Post-FY28 Only	-1,882.15	-698.21		
TOTAL	1,155.67	2,501.64		

KEDLI GHG Emissions Reductions (MT CO2e, GWP100)

Investment Name	KEDLI Projection	Staff Adjustment	First Year Of GHG Impact	Reason for Staff Adjustment
Main Replacement - Proactive - Leak Prone Pipe	5,971.05	5,971.05	FY28	
Main Replacement - Low Pressure Pocket Elimination	151.57	151.57	FY28	
Main Protection - Storm Hardening Smart Meters	1.85	1.85	FY28	
Service Replacement - Inactive Service Retirement	198.95	198.95	FY28	
Replace Pipe on Bridges	0.40	0.40	FY28	
Main Replacement - Reactive - Maintenance	26.01	26.01	FY28	
RMD - Smart Meter	1.85	1.85	FY28	
Large Diameter Pipe Rehabilitation	7.35	7.35	FY28	
Service Replacement - Reactive - Leaks	185.30	185.30	FY28	
Service Replacement - Reactive - Non-Leaks	103.81	103.81	FY28	
Gas System Reinforcement	1.04	1.04	FY28	
Gas Reliability	6.78	6.78	FY28	
LNG - Holtsville Plant Modernization	-1,365.82	N/A	FY28	electricity usage
CSC/Public Works - Non Reimbursable	73.60	73.60	FY28	
Customer Connections	-502.05	-502.05	FY28	
Gas System Reinforcement - LTLI20695 - Bellmore Regulator	-269.98	-269.98	FY31	
Gas System Reinforcement - LTLI12238 - Bellmore- Grand Ave- Transmission Main	-0.23	-0.23	FY29	
LNG - Holtsville - Fuel Cell	-1,767.02	-1,767.02	FY31	
LNG - Nitrogen System Refurbishment	-24.13	N/A	FY30	electricity usage
Proactive Regulator Stations - Riverhead Yard (SL-31,SL-25, SL-23)	-32.03	-32.03	FY29	
LNG - Hydrant System Piping Refurbishment	-3.50	-0.71	FY31	only natural gas combustion is included (electricity usage = N/A)
RCV - LTLI20889 - Westbury2	690.68	690.68	FY31	
RCV - LTLI21036 - GM-005 16 Inch	304.08	304.08	FY31	
RCV - LTLI21101 - Dix Hills 2	184.25	184.25	FY31	
Total - FY28 Only	4,861.69	6,227.51		
Total - Post-FY28 Only	-917.88	-890.96		
TOTAL	3,943.81	5,336.55		

KEDNY GHG Emissions Impacts (reductions)

Program or Project	Location (DAC/Non-DAC)	Investment Name	Emissions (MT CO2e; GWP20)	Emissions (MT CO2e; GWP100)	FY28 Capital Budget (as filed in Petition)	Enduring Post-Construction Impacts (e.g., land use change, increased greenhouse gas and/or co-pollutant emissions, other air or water pollution impacts)	First Year of Emissions Impact
Program	N/A	Main Replacement - Proactive - Leak Prone Pipe	4066.66	1356.53	$ 328,944,966	No enduring adverse impacts are expected. Any impacts to DACs are limited to temporary construction-related effects. Following construction, the project is expected to reduce methane emissions, improve safety, and enhance system reliability through replacement of leak-prone infrastructure. This is a program therefore specific project locations are not finalized. Main replacements reduce water intrusion which results in improved water quality.	RY 4
Program	N/A	Large Diameter Pipe Rehabilitation	66.17	22.07	$ 16,548,886	No enduring adverse impacts are expected. Construction activities may cause temporary disturbances, but the rehabilitation extends asset life, reduces methane leaks, and improves safety and reliability without creating enduring adverse impacts. This is a program therefore specific project locations are not finalized. No enduring post-construction impacts relating to land-use changes, co-pollutants, or water pollution.	RY 4
Program	N/A	RMD - Smart Meter	1.00	1.00	$ 2,752,533	No enduring adverse impacts are expected. The program involves installation of smart meters and does not result in permanent land use, air quality, or water quality impacts. It is expected to improve system safety, operational efficiency, and methane leak response capabilities. This program would replace approximately 3,400 traditional gas meters with smart gas meters to enhance safety and reliability and modernize the system. In conjunction with remote methane detection (RMD) smart meters can remotely stop gas flow to reduce leaks and protect lives and property. Smart meters and RMD are expected to provide enduring post-construction safety benefits and reduce future GHG emissions from customer leaks.	RY 4
Program	N/A	Service Replacement - Inactive Service Retirement	596.42	198.95	$ 2,745,831	No enduring adverse impacts are expected. Any impacts are limited to temporary construction activities. Retirement of inactive services reduces safety risks and potential methane emissions and does not create lasting adverse environmental impacts. This program would retire inactive services, removing leak-prone materials from the system, reducing current and future GHG emissions, and enhancing safety. The enduring post-construction effects of the program on the surrounding communities are expected to be positive, and no adverse impacts are anticipated from the program.	RY 4
Program	N/A	Main Protection - Storm Hardening Smart Meters	1.03	1.03	$ 5,443,851	No enduring adverse impacts are expected. This program would install remotely operated smart gas meters with integrated safety shut-off valves in flood-prone service areas to reduce the risk of water intrusion during severe weather events, enhancing system resilience and public safety. Smart meters and remotely operated shut-off valves are expected to provide enduring post-construction resilience and safety benefits and reduce future GHG emissions by mitigating conditions that could affect the gas system and contribute to future leaks.	RY 4
Program	N/A	Main Replacement - Reactive - Maintenance	857.70	286.10	$ 16,297,339	No enduring post-construction impacts relating to land-use changes, co-pollutants, or water pollution. This is a program therefore specific project locations are not finalized. Enduring GHG emissions reductions and safety benefits are anticipated from using improved materials to replace segments of main and associated services identified during leak repairs that could not be effectively repaired. Main replacements reduce water intrusion which results in improved water quality.	RY 4
Program	N/A	Service Replacement - Reactive - Leaks	262.57	87.58	$ 11,653,834	No enduring adverse impacts are expected. Any impacts are temporary and construction-related. This program addresses leaks on existing services with the primary objective of promoting public safety; however, the GHG emissions reductions resulting from leak mitigation also deliver enduring post-construction environmental benefits.	RY 4
Program	N/A	Main Replacement - Low Pressure Pocket Elimination	9.08	3.03	$ 4,236,412	No enduring adverse impacts are expected. Temporary construction impacts may occur, but the project permanently improves safety and reliability and is expected to reduce methane emissions through retirement of low-pressure infrastructure.	RY 4
Program	N/A	Service Replacement - Reactive - Non-Leaks	137.31	45.80	$ 6,985,323	No enduring adverse impacts are expected. Construction-related impacts are temporary. The project addresses substandard facilities and improves safety and reliability without creating enduring adverse impacts.	RY 4
Program	N/A	Large Diameter Pipe Rehabilitation - CISBOT	134.19	44.76	$ 5,702,002	No enduring adverse impacts are expected. Impacts to DACs are temporary and associated with localized construction activity. The project reduces methane emissions, improves system integrity, and avoids more disruptive pipe replacement work.	RY 4
Program	N/A	Large Diameter Pipe - CI Joint Encapsulation	36.60	12.21	$ 4,146,742	No enduring adverse impacts are expected. Construction impacts are temporary. The project reduces methane emissions, extends pipe life, and avoids more extensive excavations that would otherwise create greater community disruption.	RY 4
Program	N/A	Service Replacement - Atmospheric Corrosion Inside Inspections (Remediation)	219.44	73.20	$ 2,481,375	No enduring adverse impacts are expected. This program would inspect customer service lines in the KEDNY territory and remediate, replace, or retire substandard service lines. The program will improve the safety and GHG emissions performance of substandard lines, resulting in enduring beneficial impacts.	RY 4
Program	N/A	Replace Pipe on Bridges	2.43	0.81	$ 3,968,038	No enduring adverse impacts are expected. Construction impacts are temporary. The project reduces methane emissions, extends pipe life, and avoids more extensive excavations that would otherwise create greater community disruption.	RY 4
Program	N/A	Main Upgrades - Water Intrusion	4.44	1.48	$ 282,043	No enduring adverse impacts are expected. Any impacts are limited to temporary construction activities. The project reduces leak risk, methane emissions, and safety concerns associated with deteriorated service lines. This work results in a sustained reduction of GHG emissions and improvement in water quality.	RY 4

Program	N/A	Gas Reliability	-3.66	-1.22	$ 20,040,723	Minor enduring GHG emissions increases. Construction impacts are temporary. While certain reliability projects may add new gas infrastructure, they are designed to improve safety and reliability and generally result in no enduring adverse impacts to DACs after construction. Increased GHG emissions from fugitive emissions of distribution main pipeline.	RY 4
Program	N/A	Gas System Reinforcement	69.78	23.28	$ 10,293,589	No enduring adverse impacts are expected. Although reinforcement projects may include installation of new facilities, they also retire leak-prone infrastructure and are expected to provide net reliability and emissions benefits without enduring adverse impacts to DACs. Gas system reliability benefits to customers, especially during peak demand; emissions reductions by decreasing LPP/leak backlog (type 3 leaks).	RY 4
Specific Project	DAC	Gas System Reinforcement - Staten Island 15 psig System Retirement	119.05	39.71	$ 23,388,985	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, retirement of the 15 psig system and associated leak-prone facilities results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts. This project will involve the installation of new gas main to retire the existing 15 psig system and upgrade customers to the 60 psig system, which results in GHG emissions. However, this project will also include the retirement of leak-prone cast iron, protected steel, and plastic main. This retirement leads to a net reduction in GHG emissions. Gas system reliability benefits to customers, especially during peak demand; emissions reductions by decreasing LPP/leak backlog (type 3 leaks); enhances public safety with the upgrade to the 60 psig system and increases automation.	RY 4
Specific Project	DAC	LNG - Tank 2 Foundation Heaters	-83.81	-83.69	$ 4,000,000	No enduring adverse impacts are expected. Work occurs within existing LNG facility property and will not result in lasting land use or environmental changes. The project improves facility safety and reliability. This project is located at the Company's Greenpoint LNG facility. The project would upgrade the foundation electric heating system at Tank 2 at the facility to reduce potential ground freezing beneath the tank foundation. Such freezing could damage the tank foundation and tank and lead to LNG leaks. The project will not have enduring post-construction land-use or water pollution impacts. There will be minor enduring GHG emissions increases related to the electricity used by the electric foundation heaters.	RY 4
Program	N/A	CSC/Public Works - Non Reimbursable	3962.72	1321.85	$ 373,102,054	No enduring adverse impacts are expected. Construction-related impacts are temporary and associated with municipal infrastructure projects. The work supports continued system integrity, protects gas facilities, and often results in infrastructure upgrades without enduring adverse impacts following restoration. This is a program therefore specific project locations are not finalized. The locations of City-State Construction/Public Works projects are driven primarily by State, county, or municipal roadway projects. The Company does not anticipate enduring post-construction impacts from its facilities relating to land-use changes, co-pollutants, or water pollution. Enduring GHG emissions reductions are anticipated from replacing LPP with improved materials, and related safety benefits from reduced methane leakage.	RY 4
Program	N/A	Customer Connections	-954.29	-318.32	$ 52,091,622	This program is projected to increase GHG emissions from new gas service connections and associated gas infrastructure. Construction impacts are temporary, however, new gas consumption will contribute to GHG emissions from the served load. No permanent land use or localized pollution impacts beyond operation of the gas system are anticipated. This program reflects enduring GHG emissions increases due to gas combustion by new customers that the Company is required to connect. Some new customer connections may be the result of customers converting from alternative fuels (e.g., heating oil). Such conversions likely will result in lower overall emissions due to reduced emissions from avoided oil combustion. However, the Company did not include estimates of net GHG emissions reductions from customer conversions in the GHG emissions impacts shown in Exhibit 7.	RY 4
Specific Project	DAC	LNG - Relocate Maintenance Area & New Control Building	-78.44	-78.34	$ 3,640,000	Yes, the project is expected to result in a small ongoing increase in facility energy consumption and associated greenhouse gas emissions from operation of the new building (e.g., increased electricity use). The project otherwise remains within existing facility property and is not expected to create significant permanent land use, air quality, or water quality impacts on surrounding DACs.	RY 4
Specific Project	Non-DAC	Gas System Reinforcement - LTNY11751 - Forest Hills Gate (Kew Gardens Gate)	-1241.81	-1237.04	$ 7,325,000	The major impact to the GHG emissions are the heaters that are needed to increase the temperature of the inlet gas. The heaters have a BTU/hr. rating that were used in the calculations.	FY 30
Specific Project	DAC	Gas Reliability - Newtown Creek Crossing Relocation	-0.01	0.00	$ 1,000,000	Minimal impact.	FY 30
Specific Project	Non-DAC	RCV - LTNY12051 - BQ1019	1040.37	347.03	$ 10,646,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV BQ1019 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 31
Specific Project	DAC	RCV - LTNY21041 - SI1302	1047.06	349.26	$ 100,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV SI1302 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 31
Specific Project	Non-DAC	RCV - LTNY21040 - BQ1048	981.87	327.52	$ 1,000,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV BQ1048 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 29

Specific Project	DAC	LNG - Auxiliary Power Units	-965.45	-964.43	$ 12,826,000	Work occurs within existing LNG facility property and will not result in lasting land use or environmental changes. The project improves facility safety and reliability. The existing generator set is comprised of (2) 300 kW natural gas fueled generators with a consumption of 2.93MMBTU/hr. with a permitted annual run time of 1095 hrs. The proposed upgraded generator set is comprised of (3) 1500kW natural gas fueled generators with a permitted run time of 1500 hrs. (500 hrs. each) amounting to 21,375MMBTU/year	FY 30
Specific Project	DAC	LNG - Tail Gas Compressor Upgrade	-119.87	-119.70	$ 14,760,000	No enduring adverse impacts are expected. Work occurs within existing LNG facility property and will not result in lasting land use or environmental changes. The project improves facility safety and reliability. The emissions impacts are estimated for the electrical consumption for the compressor and associated equipment.	FY 30
Specific Project	Non-DAC	Transmission Station Integrity - PHMSA - Canarsie Gate Station	-485.49	-484.98	$ 11,729,000	Construction-related impacts are temporary. The existing CWT heater (1.0 MMBTU) was sized in 2006 for projected conditions. After 20 years of use, the heater no longer holds vacuum and must be replace. Current modeling shows the demand from this station has increased substantially and new heated was sized to 3.08MMBTU.	FY 29
Specific Project	Non-DAC	LNG - Nitrogen System Refurbishment	-99.96	-99.81	$ 8,284,000	Work occurs within existing LNG facility property and will not result in lasting land use or environmental changes. The project improves facility safety and reliability. GHG emission increases are driven by the estimated electrical consumption for the compressor.	FY 30
		Total	9583.10	1155.67	966,416,150		

KEDLI GHG Emissions Impacts (reductions)

Program or Project	Location (DAC/Non-DAC)	Investment Name	Emissions (MT CO2e; GWP20)	Emissions (MT CO2e; GWP100)	FY28 Capital Budget (As Filed in Petition)	Enduring Post-Construction Impacts (e.g., land use change, increased greenhouse gas and/or co-pollutant emissions, other air or water pollution impacts)	First Year of Emissions Impact
Program	N/A	Main Replacement - Proactive - Leak Prone Pipe	17,900.31	5,971.05	$ 356,388,017	No enduring adverse impacts are expected. Any impacts to DACs are limited to temporary construction-related effects. Following construction, the project is expected to reduce methane emissions, improve safety, and enhance system reliability through replacement of leak-prone infrastructure. This is a program therefore specific project locations are not finalized. Main replacements reduce water intrusion which results in improved water quality.	RY 4
Program	N/A	Main Replacement - Low Pressure Pocket Elimination	454.37	151.57	$ 6,288,539	No enduring adverse impacts are expected. Temporary construction impacts may occur, but the project permanently improves safety and reliability and is expected to reduce methane emissions through retirement of low-pressure infrastructure.	RY 4
Program	N/A	Main Protection - Storm Hardening Smart Meters	1.85	1.85	$ 4,000,000	No enduring adverse impacts are expected. This program would install remotely operated smart gas meters with integrated safety shut-off valves in flood-prone service areas to reduce the risk of water intrusion during severe weather events, enhancing system resilience and public safety. Smart meters and remotely operated shut-off valves are expected to provide enduring post-construction resilience and safety benefits and reduce future GHG emissions by mitigating conditions that could affect the gas system and contribute to future leaks.	RY 4
Program	N/A	Service Replacement - Inactive Service Retirement	596.42	198.95	$ 3,627,292	No enduring adverse impacts are expected. Any impacts are limited to temporary construction activities. Retirement of inactive services reduces safety risks and potential methane emissions and does not create lasting adverse environmental impacts. This program would retire inactive services, removing leak-prone materials from the system, reducing current and future GHG emissions, and enhancing safety. The enduring post-construction effects of the program on the surrounding communities are expected to be positive, and no adverse impacts are anticipated from the program.	RY 4
Program	N/A	Replace Pipe on Bridges	1.21	0.4	$ 1,984,019	No enduring adverse impacts are expected. Construction impacts are temporary. The project reduces methane emissions, extends pipe life, and avoids more extensive excavations that would otherwise create greater community disruption.	RY 4
Program	N/A	Main Replacement - Reactive - Maintenance	77.97	26.01	$ 3,858,193	No enduring post-construction impacts relating to land-use changes, co-pollutants, or water pollution. This is a program therefore specific project locations are not finalized. Enduring GHG emissions reductions and safety benefits are anticipated from using improved materials to replace segments of main and associated services identified during leak repairs that could not be effectively repaired. Main replacements reduce water intrusion which results in improved water quality.	RY 4
Program	N/A	RMD - Smart Meter	1.85	1.85	$ 2,476,520	No enduring adverse impacts are expected. The program involves installation of smart meters and does not result in permanent land use, air quality, or water quality impacts. It is expected to improve system safety, operational efficiency, and methane leak response capabilities. This program would replace traditional gas meters with smart gas meters to enhance safety and reliability and modernize the system. In conjunction with remote methane detection (RMD) smart meters can remotely stop gas flow to reduce leaks and protect lives and property. Smart meters and RMD are expected to provide enduring post-construction safety benefits and reduce future GHG emissions from customer leaks.	RY 4
Program	N/A	Large Diameter Pipe Rehabilitation	22.03	7.35	$ 6,203,461	No enduring adverse impacts are expected. Construction activities may cause temporary disturbances, but the rehabilitation extends asset life, reduces methane leaks, and improves safety and reliability without creating enduring adverse impacts. This is a program therefore specific project locations are not finalized. No enduring post-construction impacts relating to land-use changes, co-pollutants, or water pollution.	RY 4
Program	N/A	Service Replacement - Reactive - Leaks	555.51	185.3	$ 3,891,527	No enduring adverse impacts are expected. Any impacts are temporary and construction-related. This program addresses leaks on existing services with the primary objective of promoting public safety; however, the GHG emissions reductions resulting from leak mitigation also deliver enduring post-construction environmental benefits.	RY 4
Program	N/A	Service Replacement - Reactive - Non-Leaks	311.22	103.81	$ 3,179,898	No enduring adverse impacts are expected. Construction-related impacts are temporary. The project addresses substandard facilities and improves safety and reliability without creating enduring adverse impacts.	RY 4
Program	N/A	Gas System Reinforcement	3.1	1.04	$ 1,188,720	No enduring adverse impacts are expected. Although reinforcement projects may include installation of new facilities, they also retire leak-prone infrastructure and are expected to provide net reliability and emissions benefits without enduring adverse impacts to DACs.Gas system reliability benefits to customers, especially during peak demand; emissions reductions by decreasing LPP/leak backlog (type 3 leaks).	RY 4

Program	N/A	Gas Reliability	20.32	6.78	$ 1,550,198	Yes, minor increased emissions. Construction impacts are temporary. While certain reliability projects may add new gas infrastructure, they are designed to improve safety and reliability and generally result in no enduring adverse impacts to DACs after construction.	RY 4
Specific Project	Non-DAC	LNG - Holtsville Plant Modernization	-2226.32	-2211.77	$ 73,416,000	This project is projected to increase GHG emissions related to increased electricity use at the Holtsville plant. The increased emissions will occur at the site of the electricity generation, not at KEDLI's LNG facility. The work for this project occurs primarily within the existing facility footprint and improves safety, reliability, and equipment efficiency.	RY 4
Program	N/A	CSC/Public Works - Non Reimbursable	220.65	73.6	$ 12,218,093	No. Construction-related impacts are temporary and associated with municipal infrastructure projects. The work supports continued system integrity, protects gas facilities, and often results in infrastructure upgrades without enduring adverse impacts following restoration. This is a program therefore specific project locations are not finalized. The locations of City-State Construction/Public Works projects are driven primarily by State, county, or municipal roadway projects. The Company does not anticipate enduring post-construction impacts from its facilities relating to land-use changes, co-pollutants, or water pollution. Enduring GHG emissions reductions are anticipated from replacing LPP with improved materials, and related safety benefits from reduced methane leakage.	RY 4
Program	N/A	Customer Connections	-1383.69	-502.05	$ 66,238,738	This program is projected to increase GHG emissions from new gas service connections and associated gas infrastructure. Construction impacts are temporary, however, new gas consumption will contribute to GHG emissions from the served load. No permanent land use or localized pollution impacts beyond operation of the gas system are anticipated. This program reflects enduring GHG emissions increases due to gas combustion by new customers that the Company is required to connect. Some new customer connections may be the result of customers converting from alternative fuels (e.g., heating oil). Such conversions likely will result in lower overall emissions due to reduced emissions from avoided oil combustion. However, the Company did not include estimates of net GHG emissions reductions from customer conversions in the GHG emissions impacts shown in Exhibit 7.	RY 4
Specific Project	Non-DAC	Gas System Reinforcement - LTLI20695 - Bellmore Regulator	-273.09	-269.98	$ 500,000	Increase in emissions due to the addition of a heater on the system to support reliability.	FY 31
Specific Project	Non-DAC	Gas System Reinforcement - LTLI12238 - Bellmore- Grand Ave-Transmission Main	-0.68	-0.23	$ 5,500,000	Minimal Impact.	FY 29
Specific Project	Non-DAC	LNG - Holtsville - Fuel Cell	-1767.02	-1767.02	$ 140,000	The work for this project occurs primarily within the existing facility footprint and improves safety, reliability, and equipment efficiency. Increase in emissions is calculated based on the run time of the fuel cell, which is expected to be operational year round.	FY 31
Specific Project	Non-DAC	LNG - Nitrogen System Refurbishment	-24.29	-24.13	$ 100,000	The work for this project occurs primarily within the existing facility footprint and improves safety, reliability, and equipment efficiency. The existing liquid Nitrogen tank has a 50 kW electric vaporizer that runs consistently to vaporizer the liquid Nitrogen into gas to be used for plant purge points as well as feed gas to the breather tank which controls the pressure inside the LNG tanks annular space. The upgrade project proposes to install a 164kW air compressor and Nitrogen membrane to create Nitrogen to use for all plant needs leading to a minimal increase in emissions.	FY 30
Specific Project	DAC	Proactive Regulator Stations - Riverhead Yard (SL-31,SL-25, SL-23)	-29.24	-32.03	$ 26,235,000	Yes, minor increased emissions due to size increase of the heaters. Construction impacts are temporary.	FY 29
Specific Project	Non-DAC	LNG - Hydrant System Piping Refurbishment	-3.52	-3.50	$ 2,000,000	The work for this project occurs primarily within the existing facility footprint and improves safety, reliability, and equipment efficiency. The existing Fire Pump P20 is rated for 2,000 GPM driven by a Caterpillar Natural Gas Driven Engine rated for 203 HP or 151.5 kW. The new Fire Pump P20 will be rated for 4,000 GPM and will require double the amount of HP to reach the required operating parameters. At this time we do not know whether the new pump driver will be Natural Gas Engine, Diesel Engine or Electric Motor, so a range is being used between lowest emissions (Natural Gas Engine) and highest emissions (Electric Motor). The pump runs weekly for 30 minutes, so an estimated yearly usage of 26 hours was used for this calculation.	FY 31
Specific Project	Non-DAC	RCV - LTLI20889 - Westbury2	*2070.61*	690.68	$ 153,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV Westbury2 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 31
Specific Project	Non-DAC	RCV - LTLI21036 - GM-005 16 Inch	*911.63*	304.08	$ 507,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV GM-005 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 31

Specific Project	Non-DAC	RCV - LTLI21101 - Dix Hills 2	552.37	184.25	$ 250,000	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, the installation of RCV Dix Hills 2 results in improved reliability and a net reduction in GHG emissions with no lasting adverse community impacts.	FY 31
		Total	17,993.57	3,097.86	581,894,214.43		

KEDNY Gas System Projects/Programs With Minimal/Non-quantified Emissions Impacts

Program or Project	Location (DAC/Non-DAC)	Investment Name	Explanation	FY28 Capital Budget (As Filed in Petition)	Enduring Post-Construction Impacts (e.g., land use change, increased greenhouse gas and co-pollutant emissions, and other air and water pollution impacts)
Program	N/A	Corrosion	The program prevents corrosion and extends the life of steel pipe, reducing the probability of future leakage.	$ 1,008,197	No enduring adverse impacts are expected. Any impacts are limited to temporary vehicle trips and construction activities associated with corrosion-control work. The program improves asset integrity and public safety and does not result in enduring adverse impacts to disadvantaged communities after construction is complete.
Program	N/A	Gas Reliability - System Automation	This program is designed to enhance the system reliability and operation efficiency at pressure regulating stations, but does not have significant GHG impacts.	$ 1,921,510	No enduring adverse impacts are expected. This program upgrades telemetry, RTUs, and control systems at existing facilities. Any construction-related impacts are temporary; no lasting land use, air quality, or water quality impacts are expected. The project enhances safety, reliability, and operational awareness.
Program	N/A	Heater Upgrade Program - Burner Management System Upgrade & Fuel Train Replacement	This project is required for reliability and is not anticipated to result in material GHG emissions impacts. Newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions; however, the amount of reductions would be small and difficult to quantify. This is a program level project that improves the Burner Management Systems (BMS) of existing heaters.	$ 1,505,969	No enduring adverse impacts are expected. Work occurs at existing facilities and results in no enduring adverse community impacts. The project improves safety, reliability, and equipment efficiency by replacing aging heater systems and controls.
Program	N/A	I&R - Reactive	The reactive program funding is to make unplanned repairs during inspections or emergencies that need to be addressed immediately. These repairs are typically a replace in kind and not expected to affect steady state GHG emissions.	$ 1,113,346	No enduring adverse impacts are expected. The program addresses emergent repairs to existing gas facilities. Any impacts are temporary and construction-related. The work supports continued safe and reliable operation of the gas system and does not create permanent adverse environmental impacts.
Program	DAC	LNG - Blanket	Generally, this program is required for reliability and is not anticipated to result in material GHG emissions reductions; however, newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions.	$ 3,918,920	No enduring adverse impacts are expected. Work occurs within the existing Greenpoint LNG facility. Impacts are limited to temporary construction activities, while the program improves operational reliability and safety. No enduring adverse impacts to surrounding DACs are expected following construction.
Program	N/A	Main Protection - Damage Prevention - 4M - 811 Design Ticket & Utility Mapping Program	The 4M 811 Design Ticket & Utility Mapping Program aims to eliminate the need to send resources to the field to satisfy 811 design ticket requests and may result in indirect nominal emissions reductions.	$ 380,501	No enduring adverse impacts are expected. This program improves utility locating and damage prevention capabilities. It does not involve significant construction or operational changes that would create enduring adverse impacts to disadvantaged communities.
Program	N/A	Main Protection - Damage Prevention - Excavation Safety Platform	This program is designed to reduce excavation damages and may result in indirect nominal emission reductions.	$ 334,045	No enduring adverse impacts are expected. This initiative enhances excavation safety and damage prevention practices. No lasting environmental, land use, or pollution impacts are anticipated.
Program	N/A	Main Protection - Damage Prevention - Vision AI Audit Model, Equipment & Analysis	This program is aimed at reducing damage to the natural gas network due to mismarked damages and may result in indirect nominal emissions reductions.	$ 847,875	No enduring adverse impacts are expected. This technology investment supports system safety and operational oversight. It has no material long-term impacts on air quality, water quality, land use, or disadvantaged communities.
Program	N/A	Main Upgrades - Low Pressure Main Valve Installation	This project is required for safety and is not anticipated to result in GHG emissions reductions.	$ 875,898	No enduring adverse impacts are expected. Any impacts are limited to temporary construction activity. Following installation, the project improves system operability and safety without creating enduring adverse environmental impacts.
Program	N/A	Meter Work - ERT Replacements	This investment is to remediate the Long-Term Estimate (LTE) population in KEDNY by purchasing and replacing ERT assets that have reached or will reach their end of life. Since the replacement of ERTs will avoid meter reading truck rolls associated with LTEs, the ERT replacements associated with this program will not have quantifiable emissions at this time.	$ 9,967,572	No enduring adverse impacts are expected. The program replaces aging meter communication devices and does not result in permanent environmental or land use impacts. Any impacts are limited to temporary vehicle trips associated with installation.
Program	N/A	Meter Work - M2M Devices	This program supports the installation of machine to machine gas automated fuel switching devices and will not have a material impact on GHG emissions.	$ 1,172,571	No enduring adverse impacts are expected. Installation of automated fuel-switching communications devices does not create enduring environmental impacts. The program improves reliability and system management capabilities.
Program	N/A	Meter Work - Meter Changes	These are the meter changes expected for the term of the rate case. Since it is a meter change and not a first time meter installation, there are no avoided or added emissions to the company.	$ 6,535,791	No enduring adverse impacts are expected. The program is a mandated meter replacement program that has no lasting adverse environmental or community impacts after installation activities are completed.
Program	N/A	Meter Work - Proactive - Meter Relocation	This project will not significantly impact GHG due to the scope of the project being limited to the meter location and associated piping.	$ 242,585	No enduring adverse impacts are expected. Meter relocations occur at existing customer locations and are intended to improve safety and accessibility. Any impacts are temporary and construction-related.
Program	N/A	Meter Work - Proactive - Meter Relocation	This program will proactively move meters from in to out. Since it is a meter change and not a first time meter installation, there are no avoided or added emissions to the company.	$ 242,585	No enduring adverse impacts are expected. Meter relocations occur at existing customer locations and are intended to improve safety and accessibility. Any impacts are temporary and construction-related.
Program	N/A	Meter Work - Purchase Meters (New/Replacements)	This program purchases and tests meters and will not have an impact on GHG emissions.	$ 19,972,435	No enduring adverse impacts are expected. This procurement program supports customer metering and billing functions. It does not directly create lasting environmental or community impacts.
Program	N/A	Proactive Regulator Stations - Proactive	This program is required for reliability and is not anticipated to result in material GHG emissions impacts. Newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions; however, the amount of reductions would be small and difficult to quantify.	$ 1,535,134	No enduring adverse impacts are expected. Temporary construction impacts may occur; however, station upgrades improve safety, resilience, and reliability. No enduring adverse impacts are expected after restoration activities are complete.
Program	N/A	Regulator Station - Over Pressure Protection	Any new equipment added as part of this program falls under the existing metering-regulating station GHG calculations and does not have significant GHG impacts	$ 478,613	No enduring adverse impacts are expected. These projects improve system safety by adding additional protection layers. Construction impacts are temporary, and no lasting adverse impacts to DACs are expected.
Program	N/A	RMD - Residential Methane Detectors	While the installation of residential methane detectors is expected to reduce leak identification time, the specific magnitude of this benefit cannot be readily quantified.	$ 8,515,079	No enduring adverse impacts are expected. The program involves installation of methane detection technology in customer premises. It improves leak detection and public safety and is not expected to create any enduring adverse environmental impacts.
Project	DAC	Future of Heat - Newtown Creek	The project scope involves the installation of a relief valve and is not expected to result in any GHG emission impacts.	$ 1,247,000	No enduring adverse impacts are expected. The project improves the safety and operation of an existing renewable natural gas facility and supports utilization of digester gas that would otherwise be flared. No enduring adverse impacts to DACs are anticipated after construction.
Project	N/A	GIS Mapping - Enhancing GIS Data for the Future	This project aims to consolidate the Geographic Information System (GIS) data for gas assets in New York City and will not have a direct impact on GHG emissions.	$ 1,219,610	No enduring adverse impacts are expected. This is a data management and mapping initiative that does not involve physical infrastructure changes resulting in environmental or community impacts.
Project	N/A	I&R - Training and Test Lab	The project uses compressed air as a medium instead of natural gas. This will allow employees to conduct training that simulates blowing down gas systems without the effects of releasing gas.	$ 500,000	No enduring adverse impacts are expected. The project supports workforce training and operational readiness. No lasting environmental, land use, air quality, or water quality impacts are anticipated.
Project	DAC	LNG - Controls System Upgrade	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 6,717,000	No enduring adverse impacts are expected. Work occurs within the existing LNG facility and improves automation and reliability. No enduring adverse impacts to disadvantaged communities are expected after implementation.
Project	DAC	LNG - Flare Heater Refurbishment	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 350,000	No enduring adverse impacts are expected. The project improves existing LNG facility equipment and reliability. Any construction impacts are temporary and limited to facility property.

Project	DAC	LNG - Piping Insulation Upgrade	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 771,216	No enduring adverse impacts are expected. Work is confined to existing LNG facilities and improves operational efficiency and safety. No enduring adverse community impacts are anticipated.
Project	DAC	LNG - Pump Upgrade (Tank 1)	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 5,895,000	No enduring adverse impacts are expected. The project replaces aging LNG equipment within the existing LNG plant. Impacts are confined to temporary construction activities and are not expected to create lasting adverse impacts to DACs.
Project	DAC	LNG - RNG Blanket (Newtown Creek)	Generally, this program is required for reliability and is not anticipated to result in material GHG emissions reductions; however, newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions.	$ 354,256	No enduring adverse impacts are expected. Work occurs at existing renewable natural gas facilities and supports reliability and operational improvements. No enduring adverse environmental impacts are anticipated.
Project	DAC	LNG - Tank IPC Coating Upgrade	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 523,614	No enduring adverse impacts are expected. The project is a maintenance and preservation activity at an existing LNG facility. No permanent adverse impacts to disadvantaged communities are expected.
Project	DAC	Pipeline Integrity - IMP - Brooklyn Backbone/Original Extension to Transco approx 42,767 feet	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 5,207,000	No enduring adverse impacts are expected. Impacts are limited to temporary construction activity associated with integrity improvements. The project enhances pipeline safety and regulatory compliance without creating enduring adverse impacts after completion.
Project	DAC	Pipeline Integrity - IMP - Greenpoint LN-1.1.0 Robotic ILI approx. 11,750 feet	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 2,729,282	No enduring adverse impacts are expected. Construction impacts are temporary. The project improves transmission pipeline integrity and safety and does not create long-term environmental or community impacts.
Project	DAC	Pipeline Integrity - IVP - Coney Island Bridge Crossing	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 2,960,000	No enduring adverse impacts are expected. Any impacts are temporary and associated with construction activities. The project improves safety and regulatory compliance of existing infrastructure and does not result in enduring adverse impacts.
Project	DAC	Pipeline Integrity - IVP - LN-1.4.0 - Spur to Con Ed Nar Gen	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 5,040,000	No enduring adverse impacts are expected. The project replaces facilities to satisfy federal integrity-management requirements. Construction impacts are temporary and no permanent adverse impacts are expected.
Project	DAC	Proactive Regulator Stations - GOV-111	Replacement of an existing 15#/LP governor with a new governor installed at a new location. This work will not result in any increase in natural gas consumption.	$ 1,500,000	No enduring adverse impacts are expected. Temporary construction impacts may occur during station relocation and replacement; however, the project improves safety and reliability and is not expected to create enduring adverse impacts after restoration.
Project	Non-DAC	Proactive Regulator Stations - GOV-405	Replacement of an existing 15#/LP governor with a new governor installed at a different location. This work will not result in any increase in natural gas consumption.	$ 100,000	No enduring adverse impacts are expected. Temporary construction-related impacts may occur. The project improves system safety and reliability and is not expected to cause lasting adverse environmental effects.
Project	Non-DAC	Proactive Regulator Stations - GOV-70	Replacement of an existing 15#/LP governor with a new governor installed at a different location. The proposed work will not result in any additional natural gas consumption.	$ 4,000,000	No enduring adverse impacts are expected. Temporary construction impacts may occur, but the completed project improves safety and reliability through replacement of an aging station without creating enduring adverse impacts.
Project	DAC	Proactive Regulator Stations - IF-02	Replacement of an existing 60#/15# interface station with a new interface station at a new location. Existing conditions will largely remain unchanged; however, equipment will be upgraded. The new equipment will not vent to the atmosphere, and the proposed work will not result in any additional natural gas consumption.	$ 14,800,000	No enduring adverse impacts are expected. Work is performed at an existing regulator station location and results in improved safety and reliability. Any impacts are temporary and construction-related.
Project	DAC	Proactive Regulator Stations - IF-03	Replacement of an existing 60#/15# interface station with a new interface station at a new location. Existing conditions will largely remain unchanged; however, equipment will be upgraded. The new equipment will not vent to the atmosphere, and the proposed work will not result in any additional natural gas consumption.	$ 2,300,000	No enduring adverse impacts are expected. Temporary impacts associated with station reconstruction and relocation will be restored following construction. The project provides long-term safety and reliability benefits without lasting adverse impacts.
Project	DAC	Transmission Service Station Integrity - Cubit Power	This project is the retirement/removal of an existing above grade transmission service station (Power plant - offline) with an inlet pressure of 419# and outlet of 60#.	$ 150,000	No enduring adverse impacts are expected. The project upgrades existing transmission service infrastructure to maintain safety and reliability. Any impacts are temporary and construction-related, with no enduring adverse impacts expected.
Project	DAC	Transmission Service Station Integrity - Visy Paper	The existing station will be refurbished and will largely remain unchanged. The scope of work includes replacement of select piping sections, surface preparation and recoating, and equipment replacement as necessary. Natural gas consumption will remain unchanged.	$ 100,000	No enduring adverse impacts are expected. The project addresses integrity and reliability needs at an existing service station. Temporary construction-related impacts may occur, but no lasting adverse impacts are anticipated.
Project	Non-DAC	Transmission Station Integrity - PHMSA - Van Wyck Gate Station	The proposed work involves replacing the existing 350#/15# gate station with a new gate station at the same location. Existing site conditions will largely remain unchanged, with equipment upgrades limited to the gate station components. The new equipment will be designed without atmospheric venting, and the existing gas heating system will be retained; therefore, the proposed work will not result in any increase in natural gas consumption. The existing heating system consists of two redundant 1.7 MMBTU hydronic heaters that alternate operation as the primary unit. It is assumed that the heaters share annual operation evenly, with each unit operating approximately 25% of the year (50% combined annual operation).	$ 10,000,000	No enduring adverse impacts are expected. The project reconstructs and upgrades an existing gate station to meet federal safety requirements. Any construction effects are temporary, and the completed project does not create enduring adverse impacts to disadvantaged communities.

KEDLI Gas System Projects/Programs With Minimal/Non-quantified Emissions Impacts

Program or Project	Location (DAC/Non-DAC)	Investment Name	Explanation	RY 4 Capital Budget (As Filed in Petition)	Enduring Post-Construction Impacts (e.g., land use change, increased greenhouse gas and co-pollutant emissions, and other air and water pollution impacts)
Program	N/A	I&R - Reactive	The reactive program funding is to make unplanned repairs during inspections or emergencies that need to be addressed immediately. These repairs are typically a replace in kind and not expected to affect steady state GHG emissions.	$ 1,600,833	No enduring adverse impacts are expected. Any impacts would be temporary and limited to repair and construction activities. The program maintains safe and reliable operation of existing assets and is not expected to result in permanent adverse impacts.
Program	N/A	Integrity - Meter Pitts	The objective of this program is to remediate or replace below-grade meter pits and may have a nominal emissions reduction.	$ 2,286,590	No enduring adverse impacts are expected. The program repairs existing meter pits to address water intrusion and corrosion. Temporary construction impacts may occur, while long-term benefits are improved safety and reliability.
Program	Non-DAC	LNG - Blanket	Generally, this program is required for reliability and is not anticipated to result in material GHG emissions reductions; however, newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions.	$ 2,543,041	No enduring adverse impacts are expected. Work is generally confined to the existing Holtsville LNG facility footprint. Temporary construction impacts may occur, while upgrades improve safety, reliability, and emissions management.
Program	N/A	Main Protection - Damage Prevention - Mark Outs and Locate Change	This program is aimed at reducing damage to the natural gas network due to mismarked damages and may result in indirect nominal emissions reductions.	$ 4,184,837	No enduring adverse impacts are expected. The program primarily involves locating and marking existing facilities, improving public safety and reducing the likelihood of excavation-related gas releases.
Program	N/A	Meter Work - ERT Replacement	This investment is to remediate the Long-Term Estimate (LTE) population in KEDLI by purchasing and replacing ERT assets that have reached or will reach their end of life. Since the replacement of ERTs will avoid meter reading truck rolls associated with LTEs, the ERT replacements associated with this program will not have quantifiable emissions at this time.	$ 5,006,771	No enduring adverse impacts are expected. Impacts are limited to temporary installation activities and vehicle travel, while the program improves metering accuracy and reliability.
Program	N/A	Meter Work - Meter Changes	These are the meter changes expected for the term of the rate case. Since it is a meter change and not a first time meter installation, there are no avoided or added emissions to the company.	$ 5,162,932	No enduring adverse impacts are expected. Temporary installation impacts may occur, but the program supports regulatory compliance and accurate metering without lasting environmental effects.
Program	N/A	Meter Work - Purchase Meters (New/Replacements)	This program purchases and tests meters and will not have an impact on GHG emissions.	$ 18,491,099	No enduring adverse impacts are expected. The program consists primarily of equipment procurement and does not create permanent environmental or land-use impacts.
Program	N/A	RMD - Residential Methane Detectors	While the installation of residential methane detectors is expected to reduce leak identification time, the specific magnitude of this benefit cannot be readily quantified.	$ 7,944,072	No enduring adverse impacts are expected. Installation impacts are minimal and temporary. The program enhances public safety through earlier detection of methane leaks and faster response.
Program	N/A	Service Replacement - Reactive - Fittings	This program will replace corroded or non-conforming jurisdictional piping and may reduce GHG emissions by mitigating future leaks.	$ 3,483,603	No enduring adverse impacts are expected. Temporary construction impacts may occur, but the program improves safety and reliability through replacement of deteriorated fittings.
Project	N/A	CNG - Hose Safety System	This project is designed to prevent the release of gas from trailers or headers in the event of hose failure. While the Hose Safety System helps to prevent a potential gas leak, the amount of GHG reduction is uncertain and therefore 0 net emission change was assumed.	$ 1,599,515	No enduring adverse impacts are expected. The project installs safety equipment at existing facilities and improves public and environmental safety without creating long-term adverse impacts.
Project	N/A	Heater Installation Program - South Commack Heater #3 & #4	This project will indirectly reduce GHG emission by replacing aged equipment with new and more reliable equipment. The amount of GHG reduction is uncertain and therefore 0 net emission change was assumed.	$ 6,500,000	No enduring adverse impacts are expected. Temporary construction impacts may occur. The project improves safety, reliability, and efficiency of existing equipment.
Project	Non-DAC	I&R - Training and Test Lab	The project uses compressed air as a medium instead of natural gas. This will allow employees to conduct training that simulates blowing down gas systems without the effects of releasing gas.	$ 1,000,000	No enduring adverse impacts are expected. Construction impacts would be temporary. The facility enhances employee training and operational safety without permanent adverse community impacts.
Project	Non-DAC	LNG - Control Room Upgrade	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 1,407,000	No enduring adverse impacts are expected. Work occurs within the existing LNG facility footprint and improves safety, reliability, and resiliency.
Project	Non-DAC	LNG - IPC Coating Upgrade	This project is required for reliability and is not anticipated to result in material GHG emissions impacts.	$ 6,957,643	No enduring adverse impacts are expected. Work occurs within the existing facility and improves spill containment and safety without changing land use or creating long-term environmental impacts.
Project	Non-DAC	Pipeline Integrity - IMP - Barrett Power GM30 - Barnums Channel Repair	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 5,574,206	No enduring adverse impacts are expected. Temporary construction impacts may occur. The project improves infrastructure integrity, safety, and reliability.
Project	Non-DAC	Pipeline Integrity - IMP - GM 2 -ILI enablement from NWN to Stewart Ave	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 17,870,000	No enduring adverse impacts are expected. Temporary construction impacts may occur. The project enhances inspection and integrity management capabilities for existing transmission assets.
Project	Non-DAC	Pipeline Integrity - IVP GM-22 & GM-26 Part-R LI Ave	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 5,260,000	No enduring adverse impacts are expected. Temporary construction impacts may occur. The project addresses integrity and regulatory compliance requirements and improves safety.
Project	Non-DAC	Pipeline Integrity - Northwest Nassau - Transmission Main & Control Valve - Phase 3	The project will proactively review assets and has the potential to avoid future leaks and failures on the system. Therefore, it could have a nominal impact on GHG reductions if a leak was discovered or avoided early because of the project.	$ 1,500,000	No enduring adverse impacts are expected. Temporary construction impacts may occur. The project upgrades existing transmission facilities and improves reliability and safety.
Project	N/A	Proactive Regulator Stations - Proactive	This program is required for reliability and is not anticipated to result in material GHG emissions impacts. Newly installed equipment will perform more efficiently than existing equipment and may result in nominal emissions reductions; however, the amount of reductions would be small and difficult to quantify.	$ 1,980,317	No enduring adverse impacts are expected. Construction impacts would be temporary. The program upgrades aging regulator facilities and improves safety, resiliency, and reliability.
Project	Non-DAC	Proactive Regulator Stations - SL-26	The project involves replacing an existing below-grade 450#/60# transmission station with a new station at a different location. The proposed work will not result in any additional natural gas consumption.	$ 1,000,000	No enduring adverse impacts are expected. Temporary construction impacts may occur during relocation and reconstruction activities. The project improves regulator station safety and reliability.