STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission in Regard to Gas Planning Procedures	**Case No. 20-G-0131**

COMMENTS OF NATIONAL GRID ON THE DPS STAFF DRAFT REVISIONS TO PART 230 (100-FOOT RULE) FILED MAY 19, 2026

The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid (collectively, "National Grid" or the "Company") respectfully submits the following comments on the Department of Public Service Staff's ("Staff") draft proposed revisions to 16 NYCRR Part 230 ("Staff's Draft Revisions") filed on May 19, 2026 in Case 20-G-0131.[1]

Part 230[2] governs the extension of gas mains and service lines to new customers. The Draft Revisions reflect amendments to Public Service Law ("PSL") Section 31(4-a) that require residential gas applicants to pay all material and installation costs for new gas infrastructure. The Draft Revisions also seek to align Part 230 with the Climate Leadership and Community Protection Act ("CLCPA") goals.

National Grid appreciates the opportunity to provide comments on Staff's proposed revisions to Part 230 and generally supports Staff's Draft Revisions. Unless otherwise noted in the comments below, National Grid supports Staff's Draft Revisions. National Grid respectfully submits, however, that targeted modifications and implementation guidance are necessary to preserve the statutory distinction between residential and non-residential applicants.

The Company's comments are organized section-by-section following the structure of Part 230 as proposed in Staff's Draft Revisions. National Grid's proposed modifications to Staff's redlines to Part 230 are attached as Attachment 1 to this comment filing.

---

[1] Case 20-G-0131, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Staff Draft Revisions to Part 230 (100-foot Rule) (Filed May 19, 2026) and Notice of Soliciting Comments (Issued May 19, 2026).

[2] 16 NYCRR § 230, combined with Public Service Law § 31(4) and Transportation Corporation Law § 12 collectively are commonly referred to as the "100-foot rule." 16 NYCRR § 230 alone may be referred to as "Part 230."

I. COMMENTS ON STAFF'S PROPOSED REVISIONS TO PART 230

A. Section 230.1 — Definitions

1. Staff Proposed Revision: Deleted definition of "adjusted gas revenue" because this definition was used solely in provisions that used revenues to limit the costs to be borne by individual applicants/customers. The proposed revisions eliminate this concept and so the definition is no longer necessary.

   National Grid Response: *Support deletion of "adjusted gas revenue" for residential applicants; retain AGR definition and concept for non-residential applicants.*

   Proposed Modification/Clarification:

   While National Grid generally supports the deletion of the definition of "adjusted gas revenue" ("AGR") in the context of residential customers, National Grid recommends keeping the definition of AGR and the concept included in Part 230 as applicable to non-residential customers. The Company notes that Transportation Corporations Law ("TCL") Section 12, which applies to non-residential connections, was not amended. Accordingly, there is no statutory basis for eliminating the regulatory AGR-based entitlements for non-residential customers, and such proposed change warrants clarification by Staff. The Company requests that Staff describe whether and how AGR concepts continue to apply in the non-residential context, or whether the retention of the 100-foot entitlement in proposed Section 230.2(d) is intended to fully supplant the AGR framework for all customer classes. Specifically, National Grid recommends that Staff establish a standardized methodology for calculating the AGR credit applicable to non-residential applicants, including the assumptions, revenue inputs, discount rates, forecast period, and any other factors used to determine the value of the applicant's contribution entitlement.

   \- -

2. Staff Proposed Revision: Added definition of "appurtenant facilities" because there had been no existing definition and applicants will now have to pay for them, whereas before, appurtenant facilities were included in the entitlement. Applicants should have clearer criteria for the items they will pay for in addition to service and main piping.

   National Grid Response: *Support with modification.*

Proposed Modification/Clarification:

The Company recommends revising the definition to expressly include utility-supplied measurement, pressure-control, and safety equipment, including but not limited to:

- meters,
- regulators,
- filters, and
- safety equipment (relief valves, security valves, and similar devices).

Greater specificity in the definition, along with a statement within each utility's tariff, would provide clarity to both utilities and applicants regarding the items for which applicants will bear financial responsibility under the revised regulations, and would promote consistent application across all gas utilities.

B. Section 230.2 — Utility Obligations and Applicant Requirements

1. Staff Proposed Revision: Modified language to remove the concept that, as a matter of course, there are facilities the utility must install without charge. With the revisions, it focuses on the applicant's agreement to pay any costs "that are the responsibility of the applicant."

   National Grid Response: *Generally support with modification related to non-residential*.

   Proposed Modification/Clarification:

   As noted above, while National Grid supports the removal of AGR in the context of residential customers, National Grid recommends keeping the definition of AGR and the concept included in Part 230 as applicable to non-residential customers. Accordingly, National Grid recommends that Staff consider keeping the ability for utilities to provide additional facilities without charge, if there is an economic/cost justification.

   \- -

2. Staff Proposed Revision: Revised to state that residential applicants must pay all costs for main, service line, service connections, and appurtenant facilities. In comparison, the language in the currently effective provision lists the costs and expenses the corporation must bear. This change reflects the recent modification to PSL §31.

   National Grid Response: *Support with clarification*.

Proposed Modification/Clarification:

National Grid requests clarification regarding the methodology utilities should use to determine the "all costs" that residential applicants are required to pay under proposed Section 230.2(c). Specifically, the Company seeks guidance as to whether utilities may utilize standardized unit costs based on average historical construction costs, or whether utilities must develop project-specific estimates for each individual installation and subsequently reconcile those estimates to actual incurred costs.

National Grid believes that the continued use of standardized unit costs is appropriate and consistent with the objectives of administrative efficiency, customer transparency, and cost certainty. Standardized unit costs provide applicants with a clear and predictable understanding of their financial obligations at the time of application, while reducing the administrative burden associated with preparing individualized estimates and performing post-construction reconciliations for routine service installations.

To the extent Staff and the Commission intend to allow utilities to use standardized unit costs, the Company requests guidance regarding the development and maintenance of such costs, including whether they may be based on historical average costs, whether adjustments for inflation or forecasted construction costs should be permitted, and whether any filing or reporting requirements will apply. Conversely, if utilities are expected to perform project-specific estimates and true-ups to actual costs, National Grid requests clarification regarding the level of detail required, the treatment of cost overruns and underruns, and the administrative processes necessary to implement such an approach consistently across all utilities.

- -

3. <u>Staff Proposed Revision</u>: Added language stating that the utility cannot provide any additional facilities to non-residential applicants at no cost – applicants must pay for any additional facilities. The previous language had allowed the utility to offer more infrastructure at no cost to the applicant if the utility justified the cost.

   <u>National Grid Response</u>: *Recommend allowing utilities to offer more infrastructure at no cost to a non-residential applicant if the utility justified the cost.*

Proposed Modification/Clarification:

Staff's proposed Section 230.2(d)(2) prohibits utilities from providing additional facilities beyond those described in the section at no cost, thereby eliminating the existing ability of utilities to extend non-residential entitlements beyond 100 feet through their tariffs where doing so would be cost-justified. National Grid's recommendation does not seek to preserve residential entitlements eliminated by amended PSL Section 31(4-a); rather, the Company asks Staff to preserve the treatment of non-residential applicants, as TCL Section 12 was not modified.

- -

4. Staff Proposed Revision: Added language requiring each gas utility to provide a list of all appurtenant facilities as a statement to their tariffs to provide clarity to customers and allow the utilities to continually update the list.

   National Grid Response: *Support with modification.*

   Proposed Modification/Clarification:

   National Grid supports the requirement that each utility provide a list of appurtenant facilities in its tariff schedule. However, the Company recommends that the list be illustrative, with appropriate tariff language permitting the inclusion of additional necessary facilities as determined by the utility's engineering standards.

C. Section 230.3 — Surcharges, Deposits, and Cost Allocation

1. Staff Proposed Revision: Added language specifying that applicants may perform any necessary trenching on their private property and not be charged for that part of the general costs of extending facilities to a new building. This was not anywhere in the currently effective Part 230, but is current practice.

   National Grid Response: *Support with modification.*

   Proposed Modification/Clarification:

   The Company supports the codification of the existing practice permitting applicants to perform trenching on their private property without being charged by the utility. However, the Company recommends adding language requiring that customer-performed trenches or excavations conform to the utility's specifications and standards to ensure safety and operational integrity. The Company suggests the following additional language: "Such trenches or excavations shall be suitable for installation of facilities needed to serve the customer, as determined by the utility in its reasonable discretion, and shall conform to the utility's published engineering standards and specifications."

- -

2. Staff Proposed Revision: Clarified the currently effective language to ensure equity among applicants by specifying that, when more than one customer connects to a main extension within the first five years of its operation, the customer connecting later has to pay an appropriate share of the cost of the main extension, and the utility would provide a refund reflecting that new customer's payment to any customers who had previously paid the costs of the main extension. This reflects that, if all customers attached at the same time, the costs of any extension would have been apportioned among them, and so it should be if they attach over a reasonable amount of time rather than all at once.

   National Grid Response: *Support with clarification.*

   Proposed Modification/Clarification:

   National Grid supports the intent of proposed Section 230.3(c) in promoting equitable cost allocation when multiple customers connect to a main extension within five years. National Grid requests clarification on the mechanism by which refunds to prior-paying customers will be calculated and administered, particularly in scenarios involving partially-built underground residential developments ("URDs") where gas mains were installed prior to the rule change under the prior entitlement framework. The Company further requests guidance on the treatment of developer deposits collected under the prior rules for URDs where subsequent residential connections will now be subject to the new cost-responsibility requirements.

   Specifically, National Grid recommends that: (1) previously collected cash deposits or letters of credit from residential developers for URD gas main installations associated with up to 100 feet of gas main be reduced or refunded when a new gas service is connected, consistent with the rules in effect at the time the developer entered into the applicable agreement, provided payment, and construction occurred; and (2) responsibility for the costs of new gas service connections be determined based on the Part 230 implementation guidelines in effect at the time the service application is submitted, such that applications submitted after the effective date of the revised Part 230 would not receive the 100-foot allowance. This approach would provide regulatory certainty, honor the expectations established under prior agreements, and ensure consistent application of the revised cost-responsibility framework.

II. ADDITIONAL ISSUES REQUIRING STAFF CLARIFICATION

A. Grandfathering and Effective Date.

Clarification is needed regarding applications for gas service received prior to the December 19, 2026 effective date. Specifically, the Company requests guidance on: (a) whether a completed application submitted before the effective date will be processed under the prior rules; (b) whether there is a required timeframe for completing the service or meter installation for any grandfathered projects; (c) how road moratoriums and seasonal embargos will be treated for applications pending as of the effective date; and (d) how "applicant," "application," and "apply" are defined for purposes of establishing grandfathering eligibility. National Grid proposes that the new rules be applied in a manner that prevents applicants who acted in reliance on the prior regulatory framework from being unfairly disadvantaged by implementation timing issues beyond their control.

B. Underground Residential Developments ("URDs").

For URDs where gas mains were installed prior to the rule change and the developer provided a deposit or letter of credit under the prior rules, the Company requests clarification on: (a) whether subsequent residential customers connecting to those mains after the effective date will be subject to the new cost-responsibility requirements under proposed Section 230.2(c); (b) whether developers will receive refunds for subsequent connections based on the prior rules' entitlement framework; and (c) the status of existing deposit refund obligations within the five-year connection period established under prior practice. These issues have significant practical implications for ongoing development projects across National Grid's service territories. Clear URD transition rules are necessary to avoid inconsistent treatment, particularly for phased residential developments, and to provide certainty to developers, applicants, and utilities. National Grid's recommendation is to: (1) refund or reduce previously collected cash deposits or letters of credit from residential developers in URDs associated with up to 100 feet of gas main when a new gas service is connected, honoring the rules in effect when the residential developers entered into their agreement, provided payment, and construction occurred; and (2) determine cost responsibility for gas service based on the Part 230 implementation guidelines (*e.g.*, after the Part 230 revisions go into effect, a gas service application does not get the 100-foot allowance).

C. Flat Rates/Standard Unit Costs.

Whether flat rates/standard unit costs remain applicable for the cost of main and service installations should be addressed. The Company recommends that utilities be permitted to establish flat rates/standard unit costs for services of up to 100 feet in length, with additional per-foot charges beyond that threshold. Flat rates/standard unit costs provide applicants with cost certainty at the time of application and reduce administrative costs associated with individual project-level estimates and reconciliations for routine installations.

D. Multiple Occupancy Buildings ("MOBs").

National Grid requests clarification regarding the treatment of multiple occupancy buildings ("MOBs"), including whether gas main extensions and service lines serving such buildings are considered residential or non-residential for purposes of applying footage entitlements, cost responsibility, and AGR allowances. How mixed-use buildings containing both residential and commercial space should be treated, including whether such buildings are deemed non-residential in their entirety or whether residential and commercial portions should be evaluated separately. Whether a mixed-use building with a single master meter should be treated differently from a building with separately metered residential and commercial tenants. Whether non-residential allowances, including the 100-foot main extension entitlement and any AGR-related concepts retained for non-residential applicants, apply to MOBs, or whether MOBs should be treated as residential applicants notwithstanding the number of dwelling units served.

E. Multiple Meters to Single Building.

Whether allowances for non-residential applicants should be applied based on the number of meters, in instances where a building has more than one non-residential applicant. Conversely, should each non-residential building receive a single 100-foot allowance?

III. CONCLUSION

The Company offers these comments on Staff's proposed Draft Revisions to 16 NYCRR Part 230. As set forth in these comments, National Grid supports the majority of the proposed revisions, while seeking clarification and proposing modifications on others.

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

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

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

(d) The term [adjusted gas revenue means the revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and the cost of gas.] *appurtenant facilities* means any objects, devices, or other accessories necessary for the adequate provision of gas service to a customer, specifically related to the portion of mains and/or service line to be installed to provide service to an applicant for new gas service, including but not limited to: meters, regulator, filters, and valves.

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

Section 230.2 is amended to read as follows:

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

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

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

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

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

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

(iii)] the rates charged like customers; and

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

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

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

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

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

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

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

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

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

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

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

(1) the material and installation costs relating to:

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

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

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

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

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

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

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

Section 230.3 is amended to read as follows:

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

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

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

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

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

(c[3]) Whenever more than one customer is connected to a main extension within the first five years of its operation, the cost of the main extension[, the surcharge shall be so adjusted that the corporation shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge] shall [also] be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the corporation is required to provide without charge to each customer served from such facilities.

[(4) Each surcharge shall cease:

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

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

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

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

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

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

(d) Applicants seeking gas service are permitted to perform any necessary trenching or excavation on their private property, such that such trenching or excavation is suitable for installation of facilities needed to serve the applicant as determined by the utility in its reasonable discretion, and shall not be charged for such activities by the utility.

Section 230.5 is amended to read as follows:

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

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

Section 230.6 is amended to read as follows:

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

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

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