Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Gas Service	**Case 24-G-0323**

MULTIPLE INTERVENORS' COMMENTS IN RESPONSE TO NATIONAL GRID'S PETITION FOR APPROVAL OF ITS PARTIALLY INTERRUPTIBLE SERVICE CLASSIFICATION PILOT PROGRAM

JULY 20, 2026

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PRELIMINARY STATEMENT

Multiple Intervenors, an unincorporated association of approximately 55 large industrial, commercial, and institutional energy consumers with manufacturing and other facilities located throughout New York, including in the Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") service territory, hereby submits these comments in response to National Grid's Petition for Approval of its Partially Interruptible Service Classification Pilot Program, dated April 13, 2026 (the "Petition")[1], in Case 24-G-0323.[2]

Multiple Intervenors previously submitted comments on April 1, 2026 ("Initial Comments")[3] regarding National Grid's "Partially Interruptible Service Class Pilot Proposal" (the "Pilot Proposal"), which was filed on February 13, 2026[4] in accordance with the "Order Adopting Terms of Joint Proposal and Establishing Rate Plans" issued by the Public Service Commission (the "Commission") on August 14, 2025[5] in Cases 24-E-0322 and 24-G-0323, and Section 4.8 of the Joint Proposal approved by the Order.[6]

In its Initial Comments, Multiple Intervenors generally supported the concept of a partially interruptible service option but identified several material issues that required resolution before

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[1] Case 24-G-0323, *Niagara Mohawk Power Corporation d/b/a National Grid - Gas Rates,* Petition of Niagara Mohawk Power Corporation d/b/a National Grid for Approval of its Partially Interruptible Classification Pilot Program (filed April 13, 2026) ("Petition").

[2] This filing reflects the views of Multiple Intervenors with respect to the matters addressed herein and does not necessarily reflect the views of each individual member.

[3] Case 24-G-0323, *supra,* Comments of Multiple Intervenors (filed April 1, 2026) ("Initial Comments").

[4] Case 24-G-0323, *supra*, Partially Interruptible Service Class Pilot Proposal (filed February 13, 2026) ("Pilot Proposal").

[5] Cases 24-E-0322, *Niagara Mohawk Power Corporation d/b/a National Grid - Electric Rates*, and 24-G-0323, *supra*, Order Adopting Terms of Joint Proposal and Establishing Rate Plans (issued August 14, 2025) ("Order").

[6] Case 24-G-0323 *et al.*, *supra*, Joint Proposal (filed April 25, 2025).

implementation. In particular, Multiple Intervenors raised concerns regarding: (1) the treatment of participating customers at the conclusion of the Pilot, including the ability of Service Classification No. 8 ("S.C. 8") customers to return to fully firm service and preserve existing D-1 elections; (2) the adequacy of the proposed 20 percent delivery-rate discount; (3) the lack of flexibility and supporting justification for a uniform 50 percent Maximum Peak Day Quantity ("MPDQ") curtailment threshold; and (4) the need for clear disclosure to prospective participants of the risks associated with Pilot participation.

National Grid's Petition has addressed those comments and, in certain respects, improved upon the Pilot Proposal. Multiple Intervenors appreciates National Grid's responsiveness to stakeholder feedback and supports a number of the resulting revisions. Nevertheless, as discussed below, the Petition does not fully resolve Multiple Intervenors' concerns. Most importantly, National Grid continues to place participating customers at risk of permanently losing their pre-Pilot level of firm service and any existing D-1 election. In addition, National Grid has not demonstrated that a uniform 50 percent MPDQ threshold is necessary or preferable to a more flexible structure.

Accordingly, Multiple Intervenors continues to support implementation of a partially interruptible service pilot but recommends that the Commission require further modifications before approving the Petition.

COMMENTS

POINT 1

NATIONAL GRID'S RESPONSES TO MULTIPLE INTERVENORS' CONCERNS

Multiple Intervenors acknowledges, and appreciates, that National Grid modified or clarified aspects of the Pilot in response to stakeholder comments.

First, National Grid increased the proposed delivery-rate discount from 20 percent to 30 percent. In its Initial Comments, Multiple Intervenors explained that a 20 percent discount did not appear commensurate with an obligation to curtail as much as 50 percent of a participating customer's MPDQ during an interruption and urged National Grid to reexamine its discounting methodology. National Grid did so, and, although a 30 percent discount remains below the percentage of load that would be subject to interruption under the proposed 50 percent MPDQ construct, the increase is an improvement. Therefore, Multiple Intervenors is not opposed to the revised 30 percent discount for purposes of the Pilot, subject to (i) an evaluation of whether that discount proves sufficient to attract meaningful customer participation, and (ii) clarification that the discount could be increased if the Pilot were to be transitioned to a permanent offering.

Second, National Grid provided additional clarity regarding the consequences if a participating customer cannot return to S.C. 8 firm service after the Pilot. Multiple Intervenors previously questioned whether such a customer's entire load would become interruptible under S.C. 6 or whether some other arrangement would apply. The Petition now states that a customer that is unable to return to S.C. 8 firm service may take service under S.C. 6 and that, in such a circumstance, the customer's entire load would be subject to interruption under the applicable tariff.

That clarification is important because it enables prospective participants to better understand the potential consequences of participation.

Third, National Grid agreed with Multiple Intervenors that prospective participants must receive clear information regarding the risks associated with the Pilot. The Petition commits National Grid to providing detailed information concerning Pilot terms, curtailment requirements, and the service-classification options that may be available upon expiration of the Pilot or customer exit. Multiple Intervenors supports those commitments.

Although these revisions are constructive, they do not eliminate the underlying risks that Multiple Intervenors identified in the Initial Comments. Disclosure of material risks does not substitute for the elimination or mitigation of those risks where doing so is necessary to make the Pilot workable and capable of attracting meaningful participation. Therefore, Multiple Intervenors offers the following additional remarks for the Commission's consideration.

POINT 2

THE PETITION DOES NOT ADEQUATELY PROTECT A PARTICIPATING CUSTOMER'S ABILITY TO RETURN TO FIRM SERVICE OR PRESERVE D-1 ELECTIONS

Multiple Intervenors' principal concern with the initial Pilot Proposal was that an S.C. 8 customer could volunteer to participate in the temporary, two-year Pilot and, as a consequence, permanently lose the ability to return to the level of firm service it possessed before entering the Pilot, including any existing D-1 election. The Petition does not resolve that concern.

Under National Grid's proposal, a customer's return to fully firm service remains contingent upon: (1) National Grid determining that its distribution system has sufficient capacity to provide the reinstated level of firm service; and (2) the customer obtaining Primary Point Capacity ("PPC") equivalent to the level held before entering the Pilot. If those conditions cannot be satisfied, the customer may be unable to return to its S.C. 8 service arrangement and instead may be required to take S.C. 6 service, under which its entire load would be interruptible.

In addition, the Petition – consistent with National Grid's retail electric tariff – provides that existing D-1 elections may be reduced but may not be increased. Customers for whom preservation of a D-1 election is critical thus are likely to decide that Pilot participation is not appropriate. The Petition further proposes that customers with D-1 elections exceeding 50 percent of MPDQ may participate only if their D-1 election is limited to 50 percent for purposes of the Pilot, without clearly specifying whether such a limitation is temporary or permanent.

Altogether, these provisions create a significant, asymmetric risk for participants. A customer could enter the Pilot with a defined level of firm service and an existing D-1 election, participate successfully for two years, and then be unable to restore either its prior firm-service position or D-1 election. These outcomes present fundamental impediments for customer participation. The Pilot is intended to test whether large firm customers will voluntarily accept partial interruptibility in exchange for a discounted delivery rate. Yet, the current design requires customers to risk permanently surrendering existing service rights in order to participate in a temporary program. National Grid itself acknowledges that this risk may deter participation—underscoring the likelihood that the Pilot may fail to attract a representative group of participants.[7]

Instead of the proposed parameters discussed above, the Commission should require National Grid to provide participating customers with (i) a right, after exiting the Pilot for any reason, to return to the level and character of service they received immediately before entering the

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[7] Although Multiple Intervenors supports customer choice, in Multiple Intervenors' view, the potential risk of losing firm service and/or any amount of a D-1 election would outweigh the potential benefits that could be realized through participation in the Pilot as described in the Petition. If those risks are not addressed in the Pilot that is ultimately implemented, then Multiple Intervenors would advise its members not to participate.

Pilot; and (ii) a guarantee that participating in the Pilot would not reduce or otherwise impact their existing D-1 election.

Importantly, such treatment would not confer customers with a new or expanded right to firm service. It would simply preserve, for the limited duration of the customer's participation in the Pilot, the service position that customers possessed before voluntarily participating. Similarly, preserving a customer's D-1 election while they participate in the Pilot would not create a new, or increase an existing, election but it likely would be critical to facilitate Pilot participation.

Absent such protections, the Pilot is likely to deter participation by customers whose involvement is essential to generating data regarding the viability of a permanent partially interruptible service classification.

POINT 3

NATIONAL GRID HAS NOT ADEQUATELY JUSTIFIED A MANDATORY, UNIFORM 50 PERCENT MPDQ THRESHOLD

In the Initial Comments, Multiple Intervenors questioned National Grid's selection of a uniform 50 percent MPDQ threshold and suggested that National Grid should consider allowing customers to participate at different levels, such as 25 percent or 75 percent. National Grid has now provided some additional explanation for its selection: it asserts that a 25 percent limitation may not produce sufficient reductions during constrained conditions, while a 75 percent limitation could be overly restrictive and materially limit participation. National Grid therefore characterizes 50 percent as a "reasonable and pragmatic compromise."[8]

Multiple Intervenors appreciates that National Grid has now articulated a rationale for the 50 percent figure. Nonetheless, the explanation does not establish that every participating customer must be subject to the same threshold.

Indeed, the purpose of a pilot program is to test different approaches and develop empirical information. Allowing some degree of customer-specific flexibility could increase participation while also producing data concerning the relationship among the level of partial interruptibility, customer willingness to participate, system benefits, and appropriate pricing.

Moreover, National Grid's explanation demonstrates that different curtailment levels involve tradeoffs rather than a single technically required result. The Petition does not identify any engineering or operational requirement that establishes exactly 50 percent of MPDQ as technically necessary for every participant. Nor does it explain why National Grid could not establish a minimum qualifying level of interruptibility while allowing customers to elect higher levels, potentially with discounts calibrated to the amount of load subject to interruptions.

Multiple Intervenors therefore recommends that the Commission direct National Grid to incorporate reasonable flexibility into the Pilot. At a minimum, National Grid should permit more than one participation tier or allow customer-specific curtailment percentages, within a defined range, provided that each participant offers a minimum level of meaningful load reduction. The

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8 Petition at 8.

applicable discount then could be adjusted, as appropriate, to reflect the percentage of load subject to interruption. Offering such flexibility better aligns with the goals of the Pilot.

POINT 4

CUSTOMER DISCLOSURES SHOULD BE SPECIFIC, PROMINENT, AND PROVIDED BEFORE ENROLLMENT

Multiple Intervenors generally supports National Grid's stated commitments to enhanced customer communications. Because the Petition continues to expose participants to the possibility that they may be unable to return to their pre-Pilot level of firm service and/or pre-existing D-1 election, the Commission should require National Grid to provide each prospective participant, before enrollment, with a clear and prominent written disclosure stating at least the following:

- Whether the customer is guaranteed to return to its pre-Pilot level of S.C. 8 firm service at the conclusion of the Pilot;
- Whether and under what circumstances an existing D-1 election may be reduced, lost, or restored;
- That, under National Grid's current proposal, a customer unable to return to S.C. 8 firm service may have to take S.C. 6 service, under which its entire load would be subject to interruption;
- The criteria and processes National Grid will use to determine whether sufficient distribution-system capacity exists to restore the customer's prior level of firm service;
- The PPC requirements applicable to a return to firm service; and
- The consequences of voluntary withdrawal from the Pilot, removal for non-compliance, expiration of the initial two-year term, and any continuation or termination of the Pilot.

These disclosures should be provided sufficiently in advance of enrollment to permit prospective participants to evaluate the Pilot's risks.

POINT 5

NATIONAL GRID'S PROPOSED LOST-REVENUE DEFERRAL SHOULD NOT BE APPROVED WITHOUT FURTHER JUSTIFICATION

Lastly, the Petition seeks deferral treatment for the difference between participating customers' discounted Pilot revenues and the revenues those customers allegedly would have paid had they remained on S.C. 8. National Grid characterizes that difference as "lost revenue" and seeks the opportunity for future recovery. The Commission should not approve that request without further detail regarding how the lost revenues would be estimated.

The Pilot is intended, at least in part, to provide system and operational benefits by obtaining load reductions during constrained conditions. The discounted rate is the consideration offered to customers in exchange for accepting partial interruptibility and the associated operational risks. Automatically treating the entire discount as a recoverable revenue loss could shift the cost of the Pilot to other customers without a sufficient examination of the benefits produced, the appropriate allocation of Pilot costs, or whether National Grid otherwise is compensated for the risks and revenues reflected in its current rate plan. Therefore, additional record development is required.

In any event, if the Commission agrees with National Grid's proposal for lost-revenue deferral, at a minimum, such authorization should be narrowly conditioned. National Grid should be required to track separately all Pilot-related discounts, revenues, penalties, incremental costs, and demonstrable system benefits, and any future recovery should remain subject to a full prudence and reasonableness review. Critically, the Commission's approval of the Pilot should not constitute a determination that all revenues potentially foregone are automatically recoverable from other customers.

CONCLUSION

For the foregoing reasons, Multiple Intervenors offers its general support of the Pilot Program subject to the modifications and recommendations provided herein.

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Albany, New York

Respectfully submitted,

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