

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**In the Matter of Heating Fuel Oil Supply Coordination
With Interruptible Gas Service Customers: February
2015 Issues**

Case 15-G-0185

**Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of The Brooklyn
Union Gas Company d/b/a National Grid NY for Gas Service**

Case 23-G-0225

**Proceeding on Motion of the Commission as to the
Rates, Charges, Rules and Regulations of KeySpan Gas
East Corporation d/b/a National Grid for Gas Service**

Case 23-G-0226

**PETITION OF
THE CITY OF NEW YORK
TO MODIFY INTERRUPTIBLE CUSTOMER
TESTING REQUIREMENTS**

May 20, 2025

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PRELIMINARY STATEMENT

The City of New York (“City”) files this Petition requesting to modify the tariff provisions of the Brooklyn Union Gas Company d/b/a National Grid NY (“KEDNY”) and KeySpan Gas East Corporation d/b/a National Grid (“KEDLI”) (together, “National Grid” or the “Companies”) related to mandatory, system-wide testing of dual-fuel equipment customers to address serious safety concerns relating to the current regime.¹ The New York State Public Service Commission (“Commission”) adopted mandatory testing as a measure to ensure that customers in the non-firm service classifications are able to quickly interrupt their gas service during the winter heating season, particularly during extreme weather events. As discussed in more detail below, there are

¹ Inasmuch as the City has gas accounts with National Grid’s neighboring utility, Consolidated Edison Company of New York, Inc. (“Con Edison”), the requests herein apply to those accounts as well. For efficiency, the focus of this Petition is on the City’s accounts with National Grid.

two required annual system-wide tests, an announced test at the beginning of the heating season and an unannounced test in January. The focus of this Petition is on the unannounced test.²

The City, through the NYC Public Schools and the Department of Citywide Administrative Services (“DCAS”), has been a long-time participant in the Companies’ demand response (“DR”) programs as an interruptible customer, and has been a successful and reliable participant. For Tier 1 accounts, the City’s standard practice is, upon receipt of notice of a pending interruption from National Grid, to prepare for and manually switch facilities in advance of an automatic switchover. For Tier 2 accounts, the City performs the manual switchover after notice from National Grid. Thus, with proper notice—as is provided for regular DR events (test or otherwise)—the City is able to properly, safely, and effectively participate in the program and interrupt its use of gas, which provides much needed benefits to the entire National Grid system. However, the unannounced January test requirement has created troublesome safety concerns for the City, as it needs a certain amount of time to follow specific protocols to switch its systems from gas over to an alternative fuel source.

For the reasons set forth below, the City respectfully requests that the Commission require National Grid to make a limited modification to rules related to interruptible customers³ and allow for a minimum of 24 hours’ notice before any test to interruptible customers, including the January “unannounced” test. This limited change is consistent with other DR program rules that provide notice and allow customers to interface with the utilities in order to ensure safe switching. The limited notice requested here will allow the City and other customers to safely and reliably

² This Petition includes the attached Affidavit of John P. Sano, a former Utility Supervisor at the Department of Public Service.

³ The Brooklyn Union Gas Company d/b/a National Grid NY, Schedule for Gas Service, P.S.C. No. 12 – Gas, at Leaf 427.40 (“KEDNY Tariff”); KeySpan Gas East Corporation d/b/a National Grid, Schedule for Gas Service, P.S.C. No. 1 – Gas, at Leaf 225 (“KEDLI Tariff”).

participate in this successful demand management program without negatively impacting the efficacy of the test. To the extent that this relief requires the Commission to modify its ruling in Case 15-G-0185, the City requests that this petition also be considered in that docket.

BACKGROUND

On December 16, 2016, the Commission issued an Order approving, among other things, the addition of one unannounced interruption test at the end of January of each year.⁴ This Commission action was in response to a proposal by Department of Public Service (“DPS”) Staff designed to supplement prior interruptible gas protocols, including requiring increased communications between the utilities and their customers and the filing of customer affidavits regarding alternative fuel storage.⁵ Overall, the goal of implementing the new protocols was to ensure that interruptible customers were capable of switching fuels when called on in order to maintain system reliability and integrity.⁶ Notably, the Interruptible Protocols Order does not include a discussion of the potential safety ramifications of an unannounced test.

Since the issuance of the Interruptible Protocols Order, New York—and particularly, downstate New York—has experienced significant and concerning gas supply/demand constraints. For example, in November 2018, National Grid instituted a moratorium on new gas customers. While this moratorium ended November 26, 2019,⁷ National Grid has said it retains and will

⁴ Case 15-G-0185, In the Matter of Heating Fuel Oil Supply Coordination with Interruptible Gas Service Customers, February 2015 Issues – All Major Gas Companies, Order Adopting New Communication Protocols (issued December 16, 2016) (“Interruptible Protocols Order”).

⁵ Sano Affidavit, p. 1.

⁶ Case 15-G-0185, *supra*, Straw Proposal for Modifications to Interruptible Communications Protocols Commencing with the 2016-2017 Winter Heating Season for Applicability to Demand Response Customer Classes (filed May 25, 2016) (“Staff Proposal”).

⁷ Case 19-G-0678, Proceeding on Motion of the Commission to investigate Denials of Service by National Grid, Order Adopting and Approving Settlement (issued November 26, 2019)

exercise its discretion to reimpose a moratorium if additional gas service could create a risk to the utility's ability to provide safe and reliable service.⁸ As a result, and in line with the Climate Leadership and Community Protection Act ("CLCPA"), the Commission began examining ways to safely, transparently, and efficiently transition to gas alternatives.⁹

These developments and the Commission's actions have highlighted the importance of maintaining effective interruptible service rates and DR programs. For example, in its Final Long Term Gas Plan, National Grid stated:

The Company's Non-Firm Demand Response ("NFDR") programs in KEDNY and KEDLI, previously referred to as Temperature-Controlled ("TC") and Interruptible, and currently referred to as Tier 1 and Tier 2 due to tariff changes, are essential to managing Design Day resources, providing over 150 MDth/day of demand reduction. The Company would need a like amount of firm supply and significant on-system reinforcements to convert these customers to firm service.¹⁰

As explained in more detail below, the City is a major participant in the interruptible gas program, recognizes the importance of maintaining system reliability, and strongly supports actions that keep the gas system safe while also avoiding the need for gas infrastructure investments. However, requiring unannounced tests without any prior notice has created safety concerns that may lead the City to stop participating in DR programs at some locations and convert those locations to firm service, at least until major electrification efforts are completed. A switch

("National Grid Moratorium Order"); Case 19-G-0678, *supra*, Confirming Order (issued December 12, 2019).

⁸ National Grid Moratorium Order at Exhibit A, §2(b).

⁹ *See generally* Cases 20-G-0131, *et al.*, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures, Order Adopting Gas System Planning Process (issued May 12, 2022) ("Gas Planning Order").

¹⁰ Case 24-G-0248, In the Matter of a Review of the Long-Term Gas System Plans of The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid, National Grid NY Final LTP (filed March 7, 2025) at 66.

to firm service would have negative impacts both system-wide and for the City specifically. Indeed, such an outcome would be particularly unfortunate in light of the City's consistent compliance during scheduled tests and actual DR events. Slightly revising the rule for the January test, as discussed more below, will allow the City to continue to participate in the successful demand response program that helps National Grid manage demand when the gas system is at its peak.

PETITION

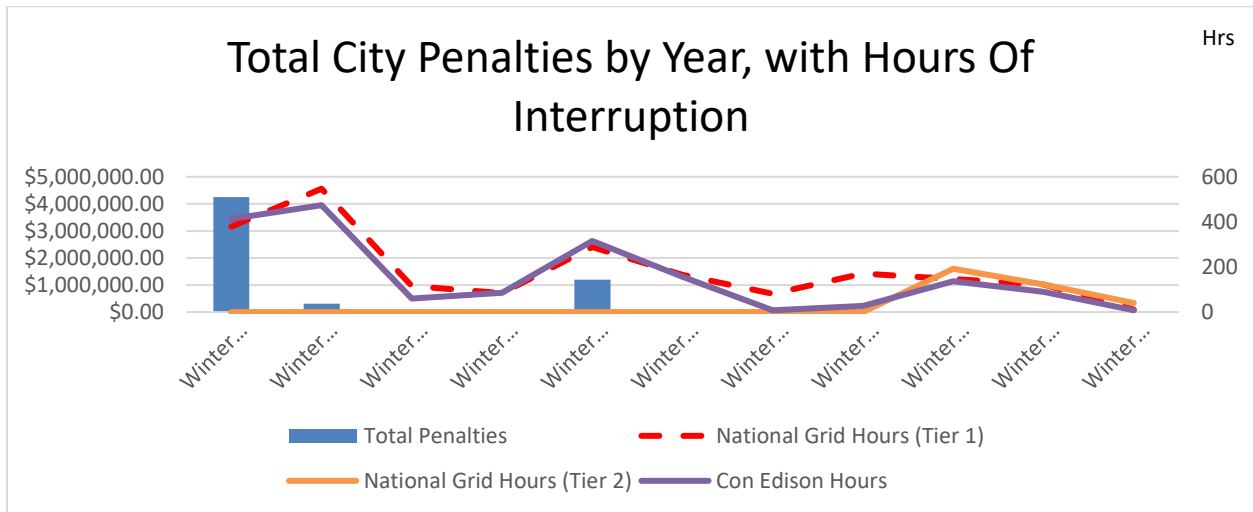
POINT I

MAINTAINING NON-FIRM CUSTOMERS IS CRITICAL TO THE COMPANIES' DEMAND MANAGEMENT

The City has a total of 233 interruptible accounts with National Grid, broken down as follows: 227 Tier 1 accounts (15 degrees or below; automatic switch over) and 6 Tier 2 accounts (20 degrees or below; semi-automatic/manual switch over). Of these accounts, 205 are through NYS Public Schools.¹¹ Overall, the City has continuously improved its performance as an interruptible customer. Going back to the Winter of 2013-2014, for example, the City has seen a noticeable decrease in penalties associated with non-performance, as demonstrated in the chart below:

¹¹ The City has 14 interruptible accounts with Con Edison, one of which is a NYC Public Schools account.

Figure 1



As shown in Figure 1, the City has achieved a material and lasting reduction in penalties since Winter 2013-2014, demonstrating its dedication to improving its systems and procedures to perform as an interruptible customer.

As the Commission has held, “providing customers with non-firm service allows the Company to reduce its gas demand during periods of peak usage...[t]his type of service benefits all customers by using the gas distribution system more efficiently...”¹² Non-firm customers, like the City, maintain their gas loads when there are no capacity constraints on the system, but then remove their usage during peak times.¹³ By doing so, utilities are better able to spread the costs

¹² See Case 20-G-0202, Petition of The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid for a Waiver of a Tariff Penalty Provision for Non-Firm Demand Response, Order Approving Waiver and Requiring Improvements Regarding Tariff Penalty Provisions for Non-Firm Demand Response (issued October 15, 2020) at 4-5 (“Non-Firm Order”).

¹³ *Id.* at 5.

of operating the gas system over a larger customer base without making costly system investments to meet higher peak demand.¹⁴

While the City is currently working on electrifying its buildings in pursuit of both City and State clean energy and emissions reduction policies, that process takes time to complete. In the meantime, participating in DR programs and remaining on non-firm rates is beneficial to the City, the State and the Companies. These programs are particularly valuable downstate, where there have been supply/demand concerns for over five years now and a growing number of extreme weather events (*i.e.* Winter Storm Elliot) that have raised concerns related to reliability. Indeed, the Commission has recognized the importance of maintaining the interruptible customer service classes in parallel with continuing the use of DR programs.¹⁵

The City would like to remain an interruptible customer, and not be forced to elect firm service, and participate in these successful programs to help maintain reliability. As set forth in Point II, however, the City's protocols for safely switching fuels require a relatively modest change in testing procedures that will not negate the effectiveness of the January test. Specifically, the City requests that the Commission direct National Grid to provide no less than 24 hours' notice of the otherwise "unannounced" January test. This safety measure is necessary to protect not only equipment and workers but others, such as students and staff, who could be endangered by unnecessarily abrupt fuel switching. To the extent that this change requires a modification to the Interruptible Protocols Order, the City respectfully requests that the Commission require that modification.

¹⁴ *Id.*

¹⁵ Gas Planning Order at 32.

POINT II

SAFETY IS CRITICAL TO THE CITY IN PARTICIPATING IN DEMAND RESPONSE PROGRAMS

An interruptible customer can switch from natural gas to an alternative, like fuel oil, when demand for gas is at its peak. That switching process must be done carefully and pursuant to specific protocols to ensure the facilities remain safe. Over time, the City has grown concerned that the lack of any notice for the January test is creating increasingly unsafe conditions that, if left unaddressed, could result in fires or explosions that damage equipment and/or seriously injure City workers and innocent bystanders.

The City maintains certain protocols to safely respond to National Grid's requests for its facilities to interrupt their natural gas service. For example, when DCAS receives a notification of a need to interrupt service, DCAS's Interruptible Team will typically coordinate communications, both through email and phone calls, with relevant City agencies as soon as the notification is received. If a City agency flags any locations or accounts with equipment malfunctions before or during the interruptible event, DCAS provides support that would include troubleshooting and liaising between the utility and corresponding agency. Additionally, DCAS provides City agencies with post-event support, which includes following up with locations that were non-compliant and requesting the necessary documents to complete equipment repairs. All season-related metrics and events are tracked so that DCAS can monitor City performance.

Moreover, there are specific actions that are taken prior to the commencement of the winter season to ensure the City back-up systems are ready. Prior to the beginning of the season, DCAS will send out an annual update to City agencies with a list of important dates and to-do items, and a check list confirming readiness for the upcoming interruptible season. DCAS also sends a notice to remind City agencies to reach out to their respective fuel vendors and top off their facilities'

fuel tanks. Overall, DCAS takes a number of actions to ensure that City agencies are prepared to safely participate in the interruptible programs. As a result of these actions, the City compliance rate has steadily improved over the years, as demonstrated above.

Similarly, NYC Public Schools have their own protocols in place to respond to events called by National Grid. For example, its Division of School Facilities (“DSF”) will receive an interruptible notification either directly from the utility or from DCAS, and the DSF central office will immediately acknowledge the notification and confirm receipt. The DSF central office then sends a mass notification to all school facilities managers, custodians, and key personnel. The notification includes the start time of the switchover, expected duration of operation, and safety instructions and reminders. Before initiating the switchover, school facility custodians assess the readiness of the site to ensure that: (1) fuel oil systems are operational and ready for use; (2) sufficient fuel oil inventory is available on site; and (3) ventilation systems and emissions equipment are functioning as required. Each site custodian then confirms readiness with the DSF central office through a standardized reporting process. If there are any site-specific issues, they are escalated for immediate resolution. There are also several safety checks that occur to ensure fire safety measures are in place and fuel oil tanks are properly sealed to prevent leaks.

Generally, it can take a custodian anywhere between 30 minutes and one hour to complete the safety review pre-switchover, depending on the complexity of the system. However, there are some challenges that affect this timeframe, including the potential for equipment malfunctions and communication between the staff on site and the DSF central office. There is a risk of spills, leaks, or exposure to hazardous materials during the transition that must be carefully avoided and minimized, and there is potential for incomplete combustion leading to excess emissions or system malfunctions during the switchover. For the City, there are over 200 buildings that must be

assessed prior to initiating a switchover, and this process must be done carefully and thoroughly to ensure the protection of everyone involved, including students and teachers who attend and work in these schools.

The City understands and appreciates the importance of testing customers' ability to comply with tariff requirements for interruptible service. The City also appreciates the Commission's concern that testing should ensure that customers are able to interrupt their service as quickly as possible in the event of an emergency, and is not opposed to the January test requirement per se. However, as Mr. Sano highlights, actual calls for interruptions are somewhat predictable based on weather patterns and preceded by some notice.¹⁶ Even during emergencies, although not guaranteed, there is an effort to provide some notice to customers.¹⁷ Given this, the limited notice requested here would "better reflect how actual interruptions are called."¹⁸

Moreover, circumstances have changed since the unannounced testing regime was adopted in 2016, which further supports the relief requested here. In 2016, National Grid's interruptible customers were classified as temperature-controlled customers that were automatically switched to alternate fuel when the temperature dropped to a specific set temperature, measured at the building. The temperature-controlled class has now been replaced with a Tier system based on level of service and a region-wide temperature indicator, so the manipulation concern is no longer relevant.¹⁹

Therefore, for the reasons more fully set forth herein, the City requests that the "unannounced" test requirement adopted in the Interruptible Protocols Order be modified to

¹⁶ Sano Affidavit, p. 3.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.* at p. 2.

provide not less than 24 hours prior notice so that participating customers can safely prepare their systems to comply. The City submits that such a limited notice period will ensure that customers can safely satisfy the test without adversely affecting the efficacy of the test itself.²⁰ Mr. Sano supports this request:

“I support the City’s request for a minimum 24-hour notice for the January “unannounced” testing. Such a modest modification will not affect the efficacy of the test (i.e., it is highly unlikely that a customer would ‘game” the test by waiting to replace empty alternative fuel tanks on such short notice), and would provide a short notice period, and thereby better reflect how actual interruptions are called. More importantly, the requested, limited 24-hour notice period would afford customers the ability to properly and safely carry out their interruption protocols, such as those outlined by the City.”²¹

POINT III

PROVIDING NOTICE IS IN LINE WITH DEMAND RESPONSE PROGRAM REQUIREMENTS

The City recognizes the importance of proper testing to ensure that customers participating in DR programs are able to properly be interrupted. However, readiness is not synonymous with the ability to instantly interrupt gas service. Proper compliance testing should confirm the participating customers have the ability to make the switch, when needed, while also allowing customers to follow safety protocols. Such practice is reflected in the mandatory pre-winter season test, which provides prior notice and effectively tests compliance. In fact, other than actual emergency situations, the January test is the only instance in which customers are required to

²⁰ Under the Public Service Law, the Commission has general supervision of all gas corporations in the State, which includes the ability to regulate the terms under which gas corporations provide gas service to their customers. Therefore, the Commission should act here to ensure that non-firm customers are safe in their use and interruption of their gas service.

²¹ Sano Affidavit, p. 3.

interrupt gas service without any notice. As stated throughout, the City has no objection to a second test in January—provided limited notice is given so that safety can be ensured.

National Grid provides notice for all other DR-related events and interruptible customer testing, presumably because calling for DR events and announcing the need to remove a customer from the gas system is usually based on weather forecasts and a determination that demand will reach its peak at a given day and time. These forecasts very rarely occur on such short-notice that a customer could not be given a day or two to prepare. For example, for firm gas DR customers, DR events and tests are called after the Company provides at least 20 hours' notice.²² Moreover, the Company is allowed 48 hours, after becoming aware that a customer has inadequate standby fuel, to provide notice to such a customer that they need to rectify the situation.²³

There are few, limited emergency situations where the Company must be able and is allowed to call an event without any notice. For example, during Winter Storm Elliot, which occurred on or around December 21-26, 2022, the City was able to switch over to its backup oil supplies and help reduce gas demand during a severe weather event. However, the ability to respond to emergency situations does not translate into a need for an unannounced test with no notice whatsoever in January. The Commission can ensure customer readiness with a testing protocol that provides limited notice; such modification to the tariff would provide an added safety benefit to ensure customers can follow the required switching protocols.

²² KEDNY Tariff at Leaf 138.74. The City recognizes that this section of the Tariff is for firm DR customers, not non-firm, but it illustrates the importance of providing notice for customers who will be required to switch off of their gas supply.

²³ KEDNY Tariff at Leaf 427.43.

CONCLUSION

For the foregoing reasons, the City respectfully requests the Commission direct National Grid to adopt a modest change to its tariff to require not less than 24 hours' notice prior to conducting the January systemwide testing of interruptible customers' ability to interrupt service.

Respectfully submitted,

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Dated: May 20, 2025
Albany, New York

BEFORE THE
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AFFIDAVIT OF JOHN SANO

STATE OF NEW YORK)
) ss.
COUNTY OF ALBANY)

John P. Sano, being duly sworn, deposes and states as follows:

1. My name is John P. Sano. I am retired from the New York State Department of Public Service (“DPS”).

2. I joined the DPS in April 1990. During my thirty-one years at the Department (retired May 2021), I held various engineering and supervisory positions in the former Gas Division, the former Energy & Water Division and finally in the Office of Electric, Gas and Water. The majority of my responsibilities as a technical advisor and later as a utility supervisor included analysis of natural gas utility policy matters, including distribution system design and planning, capacity asset management, gas purchasing practices, and gas system reliability, as well as analysis

of issues related to the restructuring of the natural gas industry and use of natural gas in New York. During my last three years with the Department, I supervised the Albany Office's Gas Safety Staff of engineers on all gas safety matters.

3. The Staff recommendations approved by the Commission in the Order issued on December 16, 2016 in Case 15-G-0185 ("2016 Order") required increased communications between the utilities and their customers and the filing of customer affidavits regarding alternative fuel storage. Increased communication is important for maintaining demand response customers, especially in areas of constrained capacity. The Staff recommendations also included the addition of an unannounced January test of interruptible customers, which is at issue here.

4. Initial testing at the start of each winter season does not require an unannounced test. The unannounced test was introduced to check that customers maintained their ability to switch at a level of readiness needed to support the service. Examples included customers running low on alternate fuel or experience equipment issues.

5. It is noteworthy that National Grid's non-firm customers in New York City and Long Island at that time were classified as temperature control customers. These customers would be automatically switched to their alternate fuel when the temperature sensor outside their buildings dropped to a specific set temperature. This could lead to manipulation to avoid the automatic switchover. The temperature-controlled class has now been replaced with a Tier system based on level of service and a region-wide temperature indicator, so the manipulation concern is no longer relevant.


6. In order to further test customer readiness to interrupt, Staff proposed, and the Public Service Commission agreed, that the mid-winter test should be in January and that it should be "unannounced."

7. I support a January test for interruptible gas customers. However, in hindsight, a test that is truly “unannounced,” without any notice whatsoever, seems to be more than is needed and, as highlighted in the City petition, raises real-life safety concerns. This is especially true for the National Grid downstate Tier 1 Customers with fully automatic switchover equipment.

8. Actual calls for interruptions are somewhat predictable in that they are weather-driven and customers are aware of the potential for interruption; they also are preceded by notice from the utilities that an interruption may or will occur. The only exception to this routine is when interruptions are required in emergency situations; however, such instances are infrequent. Moreover, even in emergency situations, such as when there are delivery issues affecting one or more interstate pipelines, at least some notice is given to warn customers of the situation (even though the warning is not guaranteed).

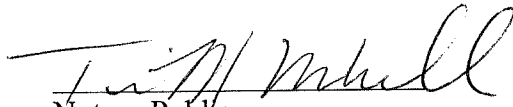
9. In light of the above, I support the City’s request for a minimum 24-hour notice for the January “unannounced” testing. Such a modest modification will not affect the efficacy of the test (i.e., it is highly unlikely that a customer would “game” the test by waiting to replace empty alternative fuel tanks on such short notice), and would provide a short notice period, and thereby better reflect how actual interruptions are called. More importantly, the requested, limited 24-hour notice period would afford customers the ability to properly and safely carry out their interruption protocols, such as those outlined by the City.

Dated: May 20th, 2025



John P. Sano

Sworn to before me this
20th day of May, 2025



Notary Public

TERRI M. MARSHALL
Notary Public, State of New York
No. 01MA6224968
Qualified in Greene County
Commission Expires July 19, 2026