



October 31, 2018

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th floor
Three Empire Plaza
Albany, New York 12223

RE: Case 18-G-0318 – Petition of KeySpan Gas East Corp. d/b/a National Grid, The Brooklyn Union Gas Company d/b/a National Grid NY, and Consolidated Edison Company of New York, Inc. for Approval of the Cost Calculation and Reimbursement Provisions of the Replacement New York Facilities Agreement, and Recovery and Reconciliation of Costs Incurred Pursuant to Such Provisions, and Other Related Relief

Dear Secretary Burgess:

The attached leaves and statement, issued by KeySpan Gas East Corporation d/b/a National Grid ("Company"), are being transmitted for filing in accordance with Order of the Public Service Commission ("Commission"), State of New York issued on October 18, 2018 ("October 18 Order") in the above referenced proceeding.¹

Original Leaf No. 119.52.4
Eighth Revised Leaf No. 119.53
Fourth Revised Leaf No. 150.2

Statement of New York Facilities System Surcharge / Surcredit No. 1

To PSC No. 1 Gas

Effective: November 1, 2018

This filing is made in compliance with the October 18 Order which directed the Company to file tariff revisions to effectuate cost recovery and reconciliation of costs and revenues related to the New York Facilities System consistent with the requirements discussed in the body of the October 18 Order, on not less than seven days' notice to become effective on November 1, 2018. On October 23, 2018, the Company filed a request for extension of time and by letter dated October 24, 2018, the extension was granted to file tariff revisions on not less than one day's notice and to become effective November 1, 2018.

¹ Case 18-G-0318, "Order Regarding New York Facilities System Agreement" (Issued and Effective October 18, 2018).

The Statement of New York Facilities System Surcharge / Surcredit No. 1 includes the estimated reconciliation² of the NYFS revenues and costs for Calendar Year 2017 under the NYFS Replacement Agreement³ to the amounts included in the Company's base delivery rates for Calendar Year 2017. Any variances between the estimated and final revenues and costs under the new agreement will be included in a subsequent reconciliation period. Please note that in the Joint Petition, the Company indicated that SC12 Temperature Controlled Service, SC13 Temperature Controlled Transportation Service and SC17 Baseload Distributed Generation Service would be subject to the NYFS Surcharge or Surcredit. However, because the Peak Sendout Allocator in the Company's last filed rate case resulted in a 0% allocation factor for these classes, they will not be included on the NYFS Surcharge/Surcredit statement. In addition, the Company inadvertently left SC7 Interruptible Transportation Service off of the proforma statement and they should have been included. Attachment 1 to this letter contains the calculations used to develop the NYFS rates included on the statement.

Also, in accordance with Ordering Clause 6 of this order, the requirements of PSL §66-12 and 16 NYCRR 720.8.1 concerning newspaper publication of the proposed tariff amendments have been waived.

Please contact the undersigned with any questions regarding this letter or the enclosure.

Respectfully Submitted,

/s/ Kellie I. Smith

Kellie I. Smith
Manager, NY Gas Pricing

² The Statement reflects an estimated reconciliation because the Company was unable to incorporate certain adjustments to the determination of NYFS costs identified in the October 18 Order and complete a final reconciliation during the period since the issuance of the October 18 Order. Thus, any variances between the estimated and final reconciliation will be included in a subsequent reconciliation period.

³ A draft of these proposed tariff revisions was included as Exhibit C to the Joint Petition filed May 18, 2018 in this proceeding.