



Kellie I. Smith
Manager – NY Gas Pricing

March 15, 2018

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

**RE: Case 16-G-0059– Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Brooklyn Union Gas Company d/b/a/
National Grid for Gas Service.**

**Gas Safety and Reliability Surcharge (“GSRS”) for Brooklyn Union Gas
Company d/b/a National Grid**

Dear Secretary Burgess:

The Brooklyn Union Gas Company d/b/a National Grid NY (“the Company”) hereby submits its Statement of Gas Safety and Reliability Surcharge (“GSRS”) in compliance with Rule 51 of PSC No. 12 Gas Tariff. The GSRS allows the Company to recover (i) a return on investment, depreciation expense, and certain operations and maintenance expense associated with incremental replacement of leak prone pipe (“LPP”) above the levels funded in base rates, (ii) the cost to repair system leaks in excess of the Company’s leak backlog targets, and (iii) any positive revenue adjustments earned for LPP productivity, LPP removals, and leak repairs.

The KEDNY LPP retirement figure submitted represents the LPP retirement footage completed between January 1, 2017 and December 31, 2017. These projects are in various stages of closeout and certain of the projects submitted as part of this filing have “design” footage in place of “actual” footage until final closeout of project documentation occurs. “Design” footage represents a conservative estimate of the LPP retirement and, therefore, final closeout commonly results in the increase of LPP footage claimed per project. Once these remaining projects are closed out, the Company will determine the actual LPP footage for each. For this reason, final closeout of all CY17 documentation may require an amendment of the claimed LPP retirement footage.

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The Company has calculated the GSRS related to the period January 1, 2017 through December 31, 2017. Effective April 1, 2018 through March 31, 2019, the following GSRS will be implemented:

- Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2-1, 2-2, 3, 4A, 4A-CNG, 4B, 7, 17 and 21: \$0.00181 per therm.

Attachment 1 contains the calculations used to develop the GSRS Surcharge.

Questions pertaining to this filing may be directed to Rozita Shortell at (315) 460-1023.

Respectfully Submitted,

/s/ Kellie I. Smith

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Manager, NY Gas Pricing