

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID
175 East Old Country Road
Hicksville, NY 11801

August 29, 2019

Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Burgess:

Pursuant to Title 16 of the State of New York Official Compilation of Codes, Rules and Regulations (“16 NYCRR”) Section 720, KeySpan Gas East Corporation d/b/a/ National Grid NY (“the Company”) hereby files the following statements which will take effect on September 1, 2019

Statement of Monthly Cost of Gas and Adjustments No. 246 which sets forth the gas cost adjustments applicable to monthly usage under Service Classification Nos. 1, 2, 3, 9, 15, 16 and 17 of PSC No. 1-GAS.

Statement of Transportation Adjustment Charges No. 120 which sets forth the transportation cost adjustments applicable to monthly usage under Service Classification No. 5 of PSC No. 1-GAS.

Please see Attachment 1 for the fixed cost allocation by Service Class.

Pursuant to PSC 1 Section III.1.E, the Company is resetting the rates for several components of the Merchant Function Charge on the Statement of Monthly Cost of Gas and Adjustments (GAC Statement No. 246) effective September 1, 2019: 1) Gas Procurement and Commodity-Related Sales Promotion Expenses; 2) Commodity Related Credit and Collection Expenses and 3) Return Requirement on Gas in Storage.

1. Gas Procurement and Commodity-Related Sales Promotion Expenses

As shown on Attachment 2, the Gas Procurement and Commodity-Related Sales Promotion Expenses is reset as follows:

- Rates effective September 1, 2019 – August 31, 2020 is reset to \$0.01149/Dt or 0.1149 cents per therm.

2. Commodity Related Credit and Collection Expenses

As shown on Attachment 3, the Commodity Related Credit and Collection Expenses is reset as follows:

- Rates effective September 1, 2019 – August 31, 2020 is reset to \$0.01771/Dt or 0.1771 cents per therm.

3. Return Requirement on Gas in Storage

As shown on Attachment 4, the Return Requirement on Gas Storage Inventory is reset as follows:

- Rates effective September 1, 2019 – August 31, 2020 is reset to
 - o \$0.02960/Dt or 0.2960 cents per therm for firm sales
 - o \$0.02310/Dt or 0.2310 cents per therm for firm transportation

Questions pertaining to this filing may be directed to Alenka V. Kain at (929) 324-4587.

Sincerely,

Kellie Smith
Kellie Smith
Director, NY Pricing

COMPANY: KEYSPAN GAS EAST CORPORATION
INITIAL EFFECTIVE DATE: 09/01/2019

Attachment 1

Fixed Cost Allocation

SC1,2,3,17	110.75%
SC 15 High Load Factor	41.09%
SC 9 Whole Sale NGV	51.84%
SC 16 Yr-Round Space Conditioning	64.06%
SC 12 Temperature Controlled	22.71%

KeySpan Gas East Corporation d/b/a National Grid
Calculation Gas Procurement and Commodity-Related Sales Promotion Expenses
Applicable to Firm Sales Customers under SC 1, 2, 3, 15, 16, 17, 9
TC Sales and Interruptible Sales

1) Set Gas Procurement and Commodity Related Sales Promotion Expenses for:

Sept 1, 2019 - Aug 31, 2020

a) Allowed Expenses /1

\$921,958

b) Forecasted SC 1, 2, 3, 15, 16, 17, 9, TC & Interruptible sales

80,221,882 Dt

c) Unit Rate effective September 1, 2019 - August 31, 2020 = (1a / 1b)

\$0.01149 \$/Dt

0.1149 ¢ Cents/Therm

Notes:

/1 Leaf 72

KeySpan Gas East Corporation d/b/a National Grid
 Calculation of Commodity Related Credit and Collection Expenses
 Applicable to Firm Sales under SC 1, 2, 3, 15, 16, 17, 9
 Firm Transportation under SC 5, TC and Interruptible Transportation

1) Set Commodity Related Credit and Collection Expenses for:

Sept 1, 2019 - Aug 31, 2020

a) Allowed Expenses /1	\$1,858,847
b) Forecasted Firm Sales & Firm Transportation & TC: SC 1, 2, 3, 4A, 4A-CNG, 4B, 7, 14, 21, 17, TC & IT	104,944,053 Dt
c) Unit Rate effective September 1, 2019 - August 31, 2020 = (1a / 1b)	\$0.01771 \$/Dt 0.1771 ¢ Cents/Therm

Allocation Between Sales Customers & Transportation Customers ESCOs

SC 1, 2, 3, 15, 16, 17, 9, SC5 Firm Sales & TC & IT Sales	80,221,882	76%	\$1,420,950
ESCOs (SC 5) and TC & IT Transportation	<u>24,722,171</u>	<u>24%</u>	<u>\$437,897</u>
	104,944,053	100%	\$1,858,847

Notes:

KeySpan Gas East Corporation d/b/a National Grid
Calculation of Return Requirement on Gas in Storage
 Applicable to Firm Sales Customers under SC 1, 2, 3, 15, 16, 17 & 9 Firm Sales
 and SC 5 Firm Transportation

Effective September 1, 2019 - August 31, 2020

1) Set Return Requirement on Gas in Storage:

	Estimated Storage Inventory Balance (less Capacity Release) (dt)	Estimated Wtd Avg Storage Inventory Cost (based on 7/29/2019 NYMEX) (\$/dt)	Estimated Storage Inventory Costs (\$)
9/30/2019	58,550,000	\$2.27	\$132,981,000
10/31/2019	65,393,000	\$2.22	\$145,120,000
11/30/2019	61,712,000	\$2.22	\$136,847,000
12/31/2019	50,462,000	\$2.22	\$112,071,000
1/31/2020	31,701,000	\$2.23	\$70,547,000
2/29/2020	15,437,000	\$2.24	\$34,521,000
3/31/2020	5,317,000	\$2.24	\$11,904,000
4/30/2020	8,454,000	\$2.19	\$18,473,000
5/31/2020	19,637,000	\$2.07	\$40,641,000
6/30/2020	30,204,000	\$2.05	\$61,961,000
7/31/2020	38,455,000	\$2.05	\$78,852,000
8/31/2020	<u>47,179,000</u>	\$2.05	<u>\$96,663,000</u>
	432,501,000		\$940,581,000
a)	Estimated Monthly Average Storage Inventory Costs (12 Months)		\$78,381,750
b)	Allocation between KEDNY and KEDLI (based on Forecasted Sales)		
	KEDNY (Firm Sales and Firm Transportation)	156,811,501	60% \$47,156,285
	KEDLI (Firm Sales and Firm Transportation)	<u>103,835,829</u>	<u>40% \$31,225,465</u>
	Total	260,647,330	100% \$78,381,750
c)	Pre-Tax WACC /1		9.33%
d)	Target Return Requirement on Gas Storage Inventory (1b x 1c)		\$2,913,336

2) Allocate Return Requirement on Gas Storage Inventory to Firm Sales & Firm Transportation Customers

	Firm Sales (i)	Firm Transportation (ii)	Total (iii)
a)	Total Storage Capacity (dt)	50,187,268	15,629,732
b)	Less Storage Capacity Release (dt)	<u>0</u>	<u>3,429,799</u>
c)	Net Storage Inventory	50,187,268	12,199,933
d)	% Breakdown on Storage Inventory	<u>80%</u>	<u>20%</u>
e)	Allocated Return Requirement on Gas Storage Inventory : (1d * 2d)	\$2,343,628	\$569,708
f)	Forecasted Firm Sales and Firm Transport Vols (9/1/2019 - 8/31/2020) dt	79,177,668	24,658,160
g)	% Breakdown on Vols:	76%	24%
h)	Return Requirement on Gas in Storage (\$/dt)		
	Effective September 1, 2019 - August 31, 2020	\$0.02960	\$0.02310
	Cents/Therm	0.2960 ¢	0.2310 ¢

Notes:

/1	Leaf 15.2
	RY 1 9.35% Jan 1, 2017 - Dec 31, 2017
	RY 2 9.35% Jan 1, 2018 - Dec 31, 2018
	RY 3 9.33% Jan 1, 2019 - Dec 31, 2019