



Philip A. DeCicco
Vice President and
Deputy General Counsel

August 5, 2019

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

Re: Case 18-G-0709 – Tariff filing by KeySpan Gas East Corporation d/b/a National Grid to Revise Its Gas Schedule, P.S.C. No. 1, to Include a Provision for Flexibility in Accepting Applications for New or Additional Gas Service When There is Inadequate Supply or Capacity

Dear Secretary Burgess:

KeySpan Gas East Corporation d/b/a National Grid (“Company”) hereby submits the following supplement to become effective September 5, 2019:

Supplement No. 82
To Schedule for Gas Service, P.S.C. No. 1 – GAS

On March 22 and May 20, 2019, the Company filed postponement supplements that postponed the above referenced filing to June 1 and September 1, 2019, respectively. After consulting with Department of Public Service Staff (“Staff”), the Company is filing to further postpone the effective date of the tariff leaves to October 1, 2019.

The Company respectfully requests that this supplement go into effect on short notice on or before September 1, 2019.

As the Company has explained on numerous occasions, without the incremental capacity from Transcontinental Gas Pipe Line Company, LLC’s (“Transco”) Northeast Supply Enhancement (“NESE”) Project, National Grid is unable to procure sufficient gas supplies to meet the forecast demand from new firm customers. In response to these supply constraints, the Company began advising larger prospective customers in 2018 that the ability to serve new gas load was contingent on the timely construction of the NESE Project. Following New York and New Jersey’s denial (without prejudice) of Transco’s applications for necessary water permits, National Grid stopped processing all applications for new firm service connections, or requests for additional firm load from existing customers, in the affected areas of the downstate service territory due to the uncertainty surrounding NESE and the Company’s ability to secure supply in sufficient quantities to meet new customer demand.¹ This action was prudent and necessary in consideration of public health and safety. Without additional gas supplies to the region, the Company cannot

¹ Staten Island is the only area of National Grid’s downstate service territory that is not currently affected by the gas supply constraints.

continue to add new firm customers without compromising the reliability of the gas system, which would adversely impact our ability to safely serve current human needs and other core customers.² The Company has provided Staff with regular updates on the status and implications of these supply issues and the Company's actions taken in response.

The subject tariff filings, which were originally submitted in November 2018, are intended to provide the Company with additional flexibility to add customers during periods of supply constraints (*i.e.*, clarifying the criteria by which the Company may potentially limit any restrictions, including by customer size and location, depending on the extent of the supply constrain). While the current supply constraints do not allow the Company to add any additional firm customers at this time, these tariff provisions could enable a structured, targeted approach to new customer connections during periods of supply constraints in the future.

For several months, the Company has worked with Staff and its consultants to support the Commission's ongoing analysis of the current supply constraints in downstate New York. To inform Staff's analysis, we have provided system models, engineering analyses, growth and demand forecasts, supply data, and other information that conclusively demonstrates the extent of the current constraints and our inability to serve new customers. The Company is agreeable to postponing the effective date of these tariff amendments to allow Staff additional time to finalize its analysis, which the Company understands is nearly complete. However, the Company supports the immediate release of the results of Staff's investigation in the interest of dispelling the false and misleading information that continues to complicate and confuse the public's understanding of this critical issue.

The Company respectfully requests a waiver of the Commission's rules and regulations regarding newspaper publication.

Thank you for your attention to this matter, and please feel free to contact me with any questions or concerns.

Respectfully submitted,

/s/Philip A. DeCicco
Philip A. DeCicco

² *See, e.g.*, Public Service Law § 66-a, 16 NYCRR § 11.3, KEDNY's P.S.C. No. 12 (Schedule for Gas Service), Section 2: General Rules, Regulations, Terms and Conditions, and KEDLI's P.S.C. No. 1 (Schedule for Gas Service), Section 2: Rules and Regulations.