



Melissa R. Nairn  
Manager – NY Gas Pricing

July 22, 2014

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

Dear Secretary Burgess:

In accordance with Section 720-2 *et al.* of the Commission's Regulations, 16 NYCRR § 720-2 *et al.*, KeySpan Gas East Corporation d/b/a National Grid ("National Grid" or "Company") hereby submits the tariff leaves listed on Attachment 1 to become effective November 1, 2014. In addition, the Company is submitting a pro-forma Statement of Seller Charges and Adjustments shown on Attachment 2 which is to become effective November 1, 2014.

The purpose of this filing is to amend the Company's tariff to clarify provisions related to electric generators that take transportation service under Service Classification No. 7 – Interruptible Transportation Service ("SC 7") and Service Classification No. 14 – Non-Core Transportation Service for Electric Generation ("SC 14").

The Company is proposing to make the following changes:

- To differentiate the rates, charges and provisions that are applicable to electric generators served under SC 7 versus interruptible gas transportation customers served under SC 7.
- To clarify that the same rates, charges, penalties and provisions are applicable to electric generators served under SC 7 and SC 14.
- To reduce an electric generator's annual minimum requirement under SC 7 and SC 14 from 60% to 50% of its maximum annual quantity.
- To clarify the OFO provisions and non-compliance penalties applicable to electric generators under SC 7 and SC 14.
- To add new provisions to clarify the circumstances under which the Company will interrupt service to maintain system reliability to: i) electric generators taking service under SC 7 and SC 14 and ii) interruptible gas transportation customers taking monthly balancing and/or daily balancing service under SC 7.

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Page 2 of 2

- To add a new provision that enables the Company to require an electric generator taking service under SC 7 and SC 14 to install and pay for a remote operated valve if the generator fails to comply with a Company issued interruption. Additionally, the Company may require new electric generators taking service under SC 7 and SC 14 after November 1, 2014 to install and pay for remote operated valves.
- To clarify that the daily balancing service demand charge applicable to electric generators under SC 7 and SC 14 is set forth on the Statement of Seller Charges and Adjustments.
- To clarify that the procedure for processing requests, application for transportation service and form of service agreement applicable to electric generators taking service under SC 7 and SC 14 are the same.

In accordance with Section 720-2.3 of the Commission's Regulations, a proposed notice of this filing suitable for use under the State Administrative Procedure Act is also enclosed.

Any questions regarding this filing should be directed to me at (929) 324-4587 or at [Melissa.Nairn@nationalgrid.com](mailto:Melissa.Nairn@nationalgrid.com).

Sincerely,

*/s/ Melissa R. Nairn*

Melissa R. Nairn  
Manager, NY Gas Pricing

Tenth Revised Leaf No. 14  
Fifth Revised Leaf No. 63.1  
First Revised Leaf No. 63.2  
Tenth Revised Leaf No. 106  
Fourth Revised Leaf No 119.1  
Fourth Revised Leaf No. 119.2  
Fourth Revised Leaf No. 119.3  
Fourth Revised Leaf No. 119.4  
Fourth Revised Leaf No. 119.5  
Fourth Revised Leaf No. 119.6  
Fourth Revised Leaf No. 119.7  
Fourth Revised Leaf No. 119.8  
Fourth Revised Leaf No. 119.9  
Fourth Revised Leaf No. 119.10  
Eighth Revised Leaf No. 149  
Eighteenth Revised Leaf No. 150  
Fourth Revised Leaf No. 150.1  
Original Leaf No. 150.2  
Ninth Revised Leaf No. 151  
Thirteenth Revised Leaf No. 152  
Seventh Revised Leaf No. 153  
Twelfth Revised Leaf No. 154  
Seventh Revised Leaf No. 154.1  
Twelfth Revised Leaf No. 154.2  
Fourth Revised Leaf No. 154.3  
Third Revised Leaf No. 154.4  
Third Revised Leaf No. 154.5  
Third Revised Leaf No. 154.6  
Ninth Revised Leaf No. 157  
First Revised Leaf No. 157.1  
Seventh Revised Leaf No. 158  
First Revised Leaf No. 158.1  
Seventh Revised Leaf No. 184  
Sixth Revised Leaf No. 185  
Sixth Revised Leaf No. 186  
Eighth Revised Leaf No. 187  
Second Revised Leaf No. 188  
First Revised Leaf No. 188.1  
First Revised Leaf No. 189  
Fifth Revised Leaf No. 190  
Second Revised Leaf No. 191

Third Revised Leaf No. 192  
Third Revised Leaf No. 193  
First Revised Leaf No. 194  
Third Revised Leaf No. 195  
Second Revised Leaf No. 196  
Fourth Revised Leaf No. 197  
First Revised Leaf No. 198  
Fourth Revised Leaf No. 199

PSC NO: 1 GAS  
 KEYSpan GAS EAST CORPORATION  
 INITIAL EFFECTIVE DATE: XXX

STATEMENT TYPE: SCA  
 STATEMENT NO: XXX  
 PAGE 1 OF 2

**PRO-FORMA**  
**STATEMENT OF SELLER CHARGES AND ADJUSTMENTS**  
**Applicable to Customers Under Service Classification No. 8 and**  
**Electric Generators Under Service Classification Nos. 7 and 14**  
**For the Period XXX - XXX**

**Swing Service Demand Charge**

A. Monthly Balanced Core Transportation  
 Applicable to Sellers Serving SC 5 Customers

Load Factor	\$ / dth
0-50%	X.XX
51-100%	X.XX

B. Monthly Balanced Non-Core Transportation  
 Applicable to Sellers Serving Monthly Balanced SC 7  
 and SC 13 Customers (Excludes Electric Generators)

Load Factor	\$ / dth
0-50%	X.XX
51-100%	X.XX

**Daily Balancing Service Demand Charge**

A. Daily Balanced Non-Core Transportation  
 Applicable to Sellers Serving Daily Balanced SC 7 and SC 13 Customers  
 (Excludes Electric Generators)

**\$ / dth**  
 X.XX

B. Electric Generator Non-Core Transportation  
 Applicable to Electric Generators or Sellers Serving  
 Electric Generators Taking Service Under SC 7 and SC 14

**\$ / dth**  
 X.XX

**Average Fixed Cost Credits Applicable to Sellers Serving SC 5 Customers**

(After 2.73% Losses)

X.XX

**Daily Cash Out Prices**

A. Monthly Balancing Program  
 Applicable to Sellers Serving Monthly Balanced SC 5, 7 and 13 Customers (Excludes Electric Generators)  
 Transco Zone 6 NY midpoint price published in Platt's Gas Daily Price Guide, Daily Price Survey  
 for the date of flow.

B. Daily Balancing Program  
 Applicable to Sellers Serving Daily Balanced SC 7 and 13 Customers (Excludes Electric Generators)  
 Average price determined for each Seller is proportionate to the amount of gas Seller delivers to each  
 receipt point on date of flow per Platt's Gas Daily Price Guide, Daily Price Survey:  
     Transco – Transco Zone 6 NY midpoint price  
     Texas Eastern – Tx. Eastern M3 midpoint price  
     Iroquois – Iroquois Zone 2 midpoint price  
     Tennessee – Tennessee Zone 5 midpoint price

Issued by: David D. Doxsee, Vice President, Hicksville, NY

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**PRO-FORMA**  
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**Applicable to Customers Under Service Classification No. 8 and**  
**Electric Generators Under Service Classification Nos. 7 and 14**  
**For the Period XXX - XXX**

**Daily Cash Out Penalties:** **\$ / dth**

Applicable to Sellers Serving Monthly Balanced SC 5, 7 and 13 Customers  
 (Excludes Electric Generators)

City Gate Balancing Penalty Charge	X.XX
Operational Flow Order ( OFO ) Penalty Charge	X.XX

**Monthly Cash Out Price**

- A. Applicable to Sellers Serving Monthly Balanced SC 5, 7 and 13 Customers  
 Transco Zone 6 NY Index published at the start of each month in Platt's Gas Daily Price Guide,  
 Market Center Spot Gas Prices for the Northeast reflected as a per dekatherm price.
- B. Applicable to Sellers Serving Daily Balanced SC 7 and 13 Customers (Excludes Electric Generators)  
 Average price determined for each Seller based on the simple average of the Daily Cash Out Prices in effect  
 during month.

**Mandatory Capacity Program:** **\$ / dth**

Applicable to Sellers participating in the Company's Mandatory Capacity Program

Tier 1 - Weighted Average Cost Of Capacity ( WACOC )	X.XX
Tier 2 - Bundled Winter Sales Price	X.XX
Tier 3 - Virtual Storage Price	X.XX

**Merchant Function Charges**

Applicable to Sellers Participating in the POR Program:

Commodity Related Credit and Collection Expenses	X.XX
Commodity Related Credit and Collection Expenses Annual Imbalance	X.XX
Surcharge / Refund (XXX Through XXX)	

**Unaccounted For Gas ( UFG )** **X.XX**

Applicable to Sellers Serving Monthly Balanced SC 5, 7 and 13 Customers  
 and Daily Balanced SC 7 and 13 Customers  
 (Excludes Electric Generators)

Issued by: David D. Doxsee, Vice President, Hicksville, NY