



Catherine L. Nesser  
Vice President and Deputy General Counsel  
New York Regulatory

January 29, 2016

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

Dear Secretary Burgess:

Enclosed are the following materials issued and transmitted for filing by The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY" or "Company") in accordance with the requirements of the New York State Public Service Commission ("Commission").

1. Revised tariff leaves listed in Attachment 1 for P.S.C. No. 12 - Schedule for Gas Service to become effective March 1, 2016. Although the revised tariff leaves are proposed to be effective March 1, 2016, KEDNY understands that, after customary suspension periods, they will likely become effective January 1, 2017.<sup>1</sup> Attachment 2 contains the Company's pro forma statements for the monthly cost of gas and other adjustments.
2. The prepared written testimony and exhibits of the Company's witnesses, as identified in Attachment 3, in support of the proposed rate and tariff changes, which constitute KEDNY's direct case in support of its rate filing.
3. A proposed notice of this filing suitable for use under the State Administrative Procedure Act.
4. The Commission's Method of Service Form regarding consent to receive all orders in this proceeding by electronic means.

### **The Rate Filing**

KEDNY's customers have had two decades of decreasing or stable base delivery rates. In real terms, base delivery rates for KEDNY's customers have declined since 1996. KEDNY has a significant revenue deficiency because of substantially higher capital investment requirements and increases in its operating costs that are not reflected in current rates. A revenue increase is needed to fund necessary capital investments to modernize the Company's gas infrastructure and provide safe and reliable service to customers.

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<sup>1</sup> The revised tariff sheets are being transmitted electronically to the Commission contemporaneously with this filing in accordance with applicable procedures. Copies are included with this transmittal letter.

In this filing, KEDNY seeks to increase base delivery revenues by approximately \$245 million to address its revenue deficiency.

Newspaper publication will be made in accordance with § 66(12) of the Public Service Law and 16 NYCRR § 720-8.

Respectfully submitted,

*Catherine L. Nesser*

Catherine L. Nesser  
VP and Deputy General Counsel  
New York Regulatory

Attachments

The tariff leaves submitted for filing are as follows:

**PSC No. 12 Gas**

Fifteenth Revised Leaf No. 5  
Tenth Revised Leaf No. 7  
Fifth Revised Leaf No. 8  
Fourth Revised Leaf No. 9  
Seventh Revised Leaf No. 35  
Sixth Revised Leaf No. 40  
Fourth Revised Leaf No. 55  
Fifth Revised Leaf No. 55.2  
Eighth Revised Leaf No. 66  
Fourteenth Revised Leaf No. 67  
Thirteenth Revised Leaf No. 68  
Thirteenth Revised Leaf No. 69  
Tenth Revised Leaf No. 70  
Fifteenth Revised Leaf No. 72  
Sixteenth Revised Leaf No. 73  
Eleventh Revised Leaf No. 74  
Tenth Revised Leaf No. 75  
Thirteenth Revised Leaf No. 76  
Second Revised Leaf No. 76.1  
Ninth Revised Leaf No. 77  
Thirteenth Revised Leaf No. 78  
Second Revised Leaf No. 78.1  
Sixth Revised Leaf No. 79.1  
Fifth Revised Leaf No. 79.2  
First Revised Leaf No. 79.3  
Second Revised Leaf No. 79.4  
Second Revised Leaf No. 79.5  
Second Revised Leaf No. 79.6  
First Revised Leaf No. 79.6.1  
First Revised Leaf No. 79.6.2  
Third Revised Leaf No. 79.7  
Third Revised Leaf No. 79.8  
Third Revised Leaf No. 79.9  
Original Leaf No. 79.9.1  
Second Revised Leaf No. 79.10  
Second Revised Leaf No. 79.11  
Sixth Revised Leaf No. 79.12  
Original Leaf No. 79.13  
Original Leaf No. 79.14  
Original Leaf No. 79.15

**Attachment 1**  
**Page 2 of 3**

Twentieth Revised Leaf No. 80  
Twentieth Revised Leaf No. 81  
Fifteenth Revised Leaf No. 82  
Seventh Revised Leaf No. 84  
Ninth Revised Leaf No. 85  
Third Revised Leaf No. 85.1  
Eighth Revised Leaf No. 86  
Seventh Revised Leaf No. 87  
Seventh Revised Leaf No. 89  
Tenth Revised Leaf No. 90  
Fifth Revised Leaf No. 94  
Third Revised Leaf No. 114.1  
Second Revised Leaf No. 114.2  
Second Revised Leaf No. 114.3  
Ninth Revised Leaf No. 138.49  
Seventeenth Revised Leaf No. 138.50  
Third Revised Leaf No. 138.50.1  
Fifth Revised Leaf No. 138.51  
Fourth Revised Leaf No. 138.52  
First Revised Leaf No. 138.53  
First Revised Leaf No. 138.54  
First Revised Leaf No. 138.55  
Original Leaf No. 138.56  
Twenty-first Revised Leaf No. 140  
Twenty-first Revised Leaf No. 144  
Seventeenth Revised Leaf No. 148  
Fourth Revised Leaf No. 151  
Twentieth Revised Leaf No. 152  
Nineteenth Revised Leaf No. 153  
Fifth Revised Leaf No. 154  
Seventeenth Revised Leaf No. 156  
Seventh Revised Leaf No. 158.1  
Twentieth Revised Leaf No. 159  
Twenty-first Revised Leaf No. 160  
Eighteenth Revised Leaf No. 163  
Eighteenth Revised Leaf No. 167  
Eleventh Revised Leaf No. 168  
Fourteenth Revised Leaf No. 171  
Sixteenth Revised Leaf No. 172  
Third Revised Leaf No. 174  
Fifteenth Revised Leaf No. 175  
Second Revised Leaf No. 196  
Fifteenth Revised Leaf No. 197  
Fifteenth Revised Leaf No. 198  
Second Revised Leaf No. 200

Second Revised Leaf No. 206  
Fifteenth Revised Leaf No. 207  
Fifteenth Revised Leaf No. 208  
Fifth Revised Leaf No. 209  
Third Revised Leaf No. 216  
Fifteenth Revised Leaf No. 217  
Fifteenth Revised Leaf No. 218  
Fifteenth Revised Leaf No. 219  
Fifteenth Revised Leaf No. 220  
Second Revised Leaf No. 222  
Third Revised Leaf No. 228  
Thirteenth Revised Leaf No. 229  
Fourth Revised Leaf No. 230  
Third Revised Leaf No. 231  
Third Revised Leaf No. 232  
Second Revised Leaf No. 268  
Third Revised Leaf No. 269  
Forth Revised Leaf No. 270  
Second Revised Leaf No. 271  
Third Revised Leaf No. 272  
Second Revised Leaf No. 273  
Second Revised Leaf No. 274  
Second Revised Leaf No. 275  
Second Revised Leaf No. 276  
Third Revised Leaf No. 277  
Second Revised Leaf No. 278  
Second Revised Leaf No. 279  
Second Revised Leaf No. 280  
Third Revised Leaf No. 281  
Seventh Revised Leaf No. 333  
Fourth Revised Leaf No. 336  
Sixth Revised Leaf No. 337  
Twenty-second Revised Leaf No. 339  
Twentieth Revised Leaf No. 340  
Twenty-third Revised Leaf No. 341  
Fourth Revised Leaf No. 372  
Sixth Revised Leaf No. 373  
Ninth Revised Leaf No. 374  
Eight Revised Leaf No. 375  
Third Revised Leaf No. 448

Effective: March 1, 2016

PSC NO: 12-GAS  
 COMPANY: THE BROOKLYN UNION GAS COMPANY  
 INITIAL EFFECTIVE DATE: 03/01/2016

**STATEMENT TYPE: GAC**  
 STATEMENT NO: XXXX  
 PAGE 1 OF 5

**PRO-FORMA**  
**STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS**  
**Applicable to Billing for Service Classification Nos. 1, 2, 3 & 21**

	<u>¢ per therm</u>
1. Weighted Average Commodity Cost of Gas	X.XXXX
2. Average Fixed Cost of Gas	X.XXXX
3. Weighted Average Cost of Gas (1 + 2; Gross, before LAUF)	X.XXXX
4. Average Fixed Cost Credits	X.XXXX
5. Monthly Cost of Gas (3 + 4)	
a) Before the Factor of Adjustment	X.XXXX
b) Multiplied by the Factor of Adjustment of X.XXXX (Effective XXXX)	<b>X.XXXX</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or (Refund)	X.XXXX
b) Annual Cost of Gas Imbalance Surcharge or (Refund) Effective XXXX to xxxx referable to the twelve months ending XXXX	X.XXXX
c) Research & Development Charge (Effective xxxx)	X.XXXX
d) Merchant Function Charge (Effective XXXX to XXXX)	X.XXXX
e) Annual Merchant Function Charge Imbalance Surcharge or (Refund) effective Effective XXXX to XXXX referable to the twelve months ending XXXX	X.XXXX
f) System Performance Adjustment (SPA) Surcharge or (Refund)	X.XXXX
g) Total Adjustments	<b>X.XXXX</b>
7. Monthly Cost of Gas and Adjustments (5b + 6g)	<b>X.XXXX</b>

Issued by Kenneth D. Daly, President, Brooklyn, NY  
 The Brooklyn Union Gas Company

PSC NO: 12-GAS  
 COMPANY: THE BROOKLYN UNION GAS COMPANY  
 INITIAL EFFECTIVE DATE: 03/01/2016

**STATEMENT TYPE: GAC**  
 STATEMENT NO: XXXX  
 PAGE 2 OF 5

**PRO-FORMA**  
**STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS**  
**Applicable to Billing for Service Classification No. 4A**

¢ per therm

1. Weighted Average Commodity Cost of Gas	X.XXXX
2. Average Fixed Cost of Gas	X.XXXX
3. Weighted Average Cost of Gas (1 + 2; Gross, before LAUF)	X.XXXX
4. Average Fixed Cost Credits	X.XXXX
5. Monthly Cost of Gas (3 + 4)	
a) Before the Factor of Adjustment	X.XXXX
b) Multiplied by the Factor of Adjustment of X.XXXX (Effective XXXX)	<b>X.XXXX</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or (Refund)	X.XXXX
b) Annual Cost of Gas Imbalance Surcharge or (Refund) Effective XXXX to xxxx referable to the twelve months ending XXXX	X.XXXX
c) Research & Development Charge (Effective xxxx)	X.XXXX
d) Merchant Function Charge (Effective XXXX to XXXX)	X.XXXX
e) Annual Merchant Function Charge Imbalance Surcharge or (Refund) effective Effective XXXX to XXXX referable to the twelve months ending XXXX	X.XXXX
f) System Performance Adjustment (SPA) Surcharge or (Refund)	X.XXXX
g) Total Adjustments	<b>X.XXXX</b>
7. Monthly Cost of Gas and Adjustments (5b + 6g)	<b>X.XXXX</b>

Issued by Kenneth D. Daly, President, Brooklyn, NY  
 The Brooklyn Union Gas Company

PSC NO: 12-GAS  
 COMPANY: THE BROOKLYN UNION GAS COMPANY  
 INITIAL EFFECTIVE DATE: 03/01/2016

**STATEMENT TYPE: GAC**  
 STATEMENT NO: XXXX  
 PAGE 3 OF 5

**PRO-FORMA**  
**STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS**  
**Applicable to Billing for Service Classification No. 4A-CNG**

<b>Applicable to Service Classification No. 4A-CNG</b>	<u>¢ per therm</u>
1. Weighted Average Commodity Cost of Gas	X.XXXX
2. Average Fixed Cost of Gas	X.XXXX
3. Weighted Average Cost of Gas (1 + 2; Gross, before LAUF)	X.XXXX
4. Average Fixed Cost Credits	X.XXXX
5. Monthly Cost of Gas (3 + 4)	
a) Before the Factor of Adjustment	X.XXXX
b) Multiplied by the Factor of Adjustment of X.XXXX (Effective XXXX)	<b>X.XXXX</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or (Refund)	X.XXXX
b) Annual Cost of Gas Imbalance Surcharge or (Refund) Effective XXXX to xxxx referable to the twelve months ending XXXX	X.XXXX
c) Research & Development Charge (Effective xxxx)	X.XXXX
d) Merchant Function Charge (Effective XXXX to XXXX)	X.XXXX
e) Annual Merchant Function Charge Imbalance Surcharge or (Refund) effective Effective XXXX to XXXX referable to the twelve months ending XXXX	X.XXXX
f) System Performance Adjustment (SPA) Surcharge or (Refund)	X.XXXX
g) Total Adjustments	<b>X.XXXX</b>
7. Monthly Cost of Gas and Adjustments (5b + 6g)	<b>X.XXXX</b>

Issued by Kenneth D. Daly, President, Brooklyn, NY  
 The Brooklyn Union Gas Company



PSC NO: 12-GAS  
 COMPANY: THE BROOKLYN UNION GAS COMPANY  
 INITIAL EFFECTIVE DATE: 03/01/2016

**STATEMENT TYPE: GAC**  
 STATEMENT NO: XXXX  
 PAGE 4 OF 5

**PRO-FORMA**  
**STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS**  
**Applicable to Billing for Service Classification No. 4A**

<b>Applicable to Service Classification No. 4B</b>	<u>¢ per therm</u>
1. Weighted Average Commodity Cost of Gas	X.XXXX
2. Average Fixed Cost of Gas	X.XXXX
3. Weighted Average Cost of Gas (1 + 2; Gross, before LAUF)	X.XXXX
4. Average Fixed Cost Credits	X.XXXX
5. Monthly Cost of Gas (3 + 4)	
a) Before the Factor of Adjustment	X.XXXX
b) Multiplied by the Factor of Adjustment of X.XXXX (Effective XXXX)	<b>X.XXXX</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or (Refund)	X.XXXX
b) Annual Cost of Gas Imbalance Surcharge or (Refund) Effective XXXX to xxxx referable to the twelve months ending XXXX	X.XXXX
c) Research & Development Charge (Effective xxxx)	X.XXXX
d) Merchant Function Charge (Effective XXXX to XXXX)	X.XXXX
e) Annual Merchant Function Charge Imbalance Surcharge or (Refund) effective Effective XXXX to XXXX referable to the twelve months ending XXXX	X.XXXX
f) System Performance Adjustment (SPA) Surcharge or (Refund)	X.XXXX
g) Total Adjustments	<b>X.XXXX</b>
7. Monthly Cost of Gas and Adjustments (5b + 6g)	<b>X.XXXX</b>

Issued by Kenneth D. Daly, President, Brooklyn, NY  
 The Brooklyn Union Gas Company

PSC NO: 12-GAS  
 COMPANY: THE BROOKLYN UNION GAS COMPANY  
 INITIAL EFFECTIVE DATE: 03/01/2016

**STATEMENT TYPE: GAC**  
 STATEMENT NO: XXXX  
 PAGE 5 OF 5

**PRO-FORMA**  
**STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS**  
**Applicable to Billing for Service Classification Nos. 7**

	<u>¢ per therm</u>
1. Weighted Average Commodity Cost of Gas	X.XXXX
2. Average Fixed Cost of Gas	X.XXXX
3. Weighted Average Cost of Gas (1 + 2; Gross, before LAUF)	X.XXXX
4. Average Fixed Cost Credits	X.XXXX
5. Monthly Cost of Gas (3 + 4)	
a) Before the Factor of Adjustment	X.XXXX
b) Multiplied by the Factor of Adjustment of X.XXXX (Effective XXXX)	<b>X.XXXX</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or (Refund)	X.XXXX
b) Annual Cost of Gas Imbalance Surcharge or (Refund) Effective XXXX to xxxx referable to the twelve months ending XXXX	X.XXXX
c) Research & Development Charge (Effective xxxx)	X.XXXX
d) Merchant Function Charge (Effective XXXX to XXXX)	X.XXXX
e) Annual Merchant Function Charge Imbalance Surcharge or (Refund) effective Effective XXXX to XXXX referable to the twelve months ending XXXX	X.XXXX
f) System Performance Adjustment (SPA) Surcharge or (Refund)	X.XXXX
g) Total Adjustments	<b>X.XXXX</b>
7. Monthly Cost of Gas and Adjustments (5b + 6g)	<b>X.XXXX</b>

Issued by Kenneth D. Daly, President, Brooklyn, NY  
 The Brooklyn Union Gas Company

PSC NO: 12 GAS  
COMPANY: THE BROOKLYN UNION GAS COMPANY  
INITIAL EFFECTIVE DATE: 03/01/2016  
STAMPS:

STATEMENT TYPE: NTC  
STATEMENT NO: XX  
PAGE 1 OF 1

Statement of Newtown Creek Project Credit

\$ per therm

Applicable to Billings for Service Classification Nos. SC 1, 2, 3, 4A,  
4A-CNG, 4B, 7 & 21 Firm Sales & SC 17 Firm Transportation

XXXX

Issued by: Kenneth D. Daly, President, Brooklyn, NY

PSC NO: 12 GAS  
COMPANY: THE BROOKLYN UNION GAS COMPANY  
INITIAL EFFECTIVE DATE: 03/01/2016  
STAMPS:

STATEMENT TYPE: NYF  
STATEMENT NO: XX  
PAGE 1 OF 1

Statement of New York Facilities System Surcharge

\$ per therm

Applicable to Billings for Service Classification Nos. SC 1, 2, 3, 4A,  
4A-CNG, 4B, 7 & 21 Firm Sales & SC 17 Firm Transportation

XXXX

Issued by: Kenneth D. Daly, President, Brooklyn, NY

The Brooklyn Union Gas Company  
d/b/a National Grid NY  
2016 Gas Rate Case  
List of Witnesses

<b>Witness</b>	<b>Title</b>	<b>Purpose of Testimony</b>	<b>Book</b>
<b>Kenneth D. Daly, CFA</b>	President and Chief Operating Officer, New York	Policy issues, overview of filing	1
<b>Elizabeth D. Arangio</b>	Director, Gas Supply Planning	Gas supply purchasing	1
<b>Ann E. Bulkley</b>	Concentric Advisors	Return on equity	2
<b>Keri Sweet Zavaglia</b>	Vice President of New York Performance and Strategy	Management Audit Implementation Plan	2
<b>Stephen Caldwell</b>	Director, Regulatory Strategy & Integrated Analytics	Cost of capital and capital structure	3 – NY
<b>Sean Mongan</b>	Vice President of Customer Process and Performance	Economic development, research and development, natural gas vehicles and gas demonstration projects	3 – NY
<b>Gas Infrastructure and Operations Panel</b>  Ross Turrini  Johnny Johnston  Laurie T. Brown	  Senior Vice President, Gas Process and Engineering,  Senior Vice President, Gas Enablement Project  Director, Network Strategy - Gas	  Capital infrastructure investments and gas system operations	4 – NY
<b>Charles F. Willard</b>	Director, Site Investigation and Remediation	SIR program	5 – NY
<b>Paul M. Normand</b>	Management Applications Consulting, Inc.	Gas depreciation rates	5 – NY
<b>Maureen P. Heaphy</b>	Vice President of US Compensation, Benefits and Pensions	Employee compensation and benefits	6

The Brooklyn Union Gas Company  
d/b/a National Grid NY  
2016 Gas Rate Case  
List of Witnesses

<b>Witness</b>	<b>Title</b>	<b>Purpose of Testimony</b>	<b>Book</b>
<b>Gas Safety Panel</b>			<b>6</b>
Robert De Marinis	Vice President, Maintenance & Construction New York Gas	Gas safety programs and gas safety performance metrics	
Susan Fleck			
Annette Saxman	Vice President, Gas Pipeline Safety & Compliance		
	Director, Gas Pipeline Safety Analysis New York		
<b>Theodore E. Poe</b>	Manager, Gas Load Forecasting and Analysis	Gas sales forecast	<b>7-8</b>
<b>Shared Services</b>			<b>9</b>
Vivienne Bracken	Chief Procurement Officer	Property tax, uncollectible expense, customer service quality metrics, low income programs, USFP Project	
Larry Frye	Director, Credit & Collections Strategy		
Paula Leaverton	Manager, Real Estate and Property Tax		
David Campbell	Vice President, US Corporate Finance		

The Brooklyn Union Gas Company  
d/b/a National Grid NY  
2016 Gas Rate Case  
List of Witnesses

<b>Witness</b>	<b>Title</b>	<b>Purpose of Testimony</b>	<b>Book</b>
<b>Revenue Requirements Panel</b>			10-15 – NY
David Doxsee	Vice President and Chief Financial Officer, New York	Revenue requirements	
James Molloy	Director, Revenue Requirements for Downstate New York		
Stephanie Briggs	Lead Specialist, Downstate New York Revenue Requirement		
<b>Gas Rate Design Panel</b>		Gas marginal and embedded cost of service studies, revenue forecast, rate design, tariff changes	16-18 – NY
Pamela Dise	Director, New York Pricing		
Dawn Herrity	Principal Program Manager, Gas Pricing New York		
Howard Gorman	President, HSG Group Inc.		
KEDNY Gas Tariff			PSC No. 12

## Method of Service

<b>Name:</b>	
<b>Company/Organization:</b>	
<b>Mailing Address:</b>	
<b>Company/Organization you represent, if different from above:</b>	
<b>E-Mail Address:</b>	
<b>Case/Matter Number:</b>	

### **Request Type**

- ☐ New Petition/Application - I am filing a new petition/application which requires action by the Commission.
- ☐ Service List request – I request to be on the service list for the matter/case.
- ☐ Other – Type of request \_\_\_\_\_

### **Service Information** *(Select one option below)*

- ☐ **Electronic Service and Waiver – Consent in Case/Matter Identified Above**  
 As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in the above Case. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail and will receive all orders by electronic means in the above Case. This consent remains in effect until revoked.
- ☐ **Electronic Service and Waiver – Global Consent in All Cases/Matters**  
 As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in all Cases where it participates. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail, and will receive all orders by electronic means in all Cases where I participate. This consent remains in effect until revoked.
- Note:** Due to the design of our system, this consent attaches to the individual named here and not to the party that may be represented by that individual. Therefore, individuals who represent multiple parties should be aware that a global consent will affect all matters in which they appear on behalf of any party.*
- ☐ I do **not** consent to receive orders electronically

### **E-Mail Preference** *(Select one option below) – For Case specific request*

E-Mail notifications include a link to filed and issued documents.

- ☐ Notify me of Commission Issued Documents in this case/matter.
- ☐ Notify me of Both Commission Issued Documents and Filings in this case/matter
- ☐ Do not send me any notifications of filed or issued documents

Submitted by:	Date:
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