



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, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Burgess:

Enclosed are the following materials issued and transmitted for filing by KeySpan Gas East Corporation d/b/a National Grid ("KEDLI" 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. 1 - Schedule for Gas Service to become effective March 1, 2016. Although the revised tariff leaves are proposed to be effective March 1, 2016, KEDLI understands that, after customary suspension periods, they will likely become effective January 1, 2017.¹ 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 KEDLI'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

Except for a one-time increase in KEDLI's base rates in 2008, the Company's customers have had two decades of decreasing or stable base delivery rates. In real terms, base delivery rates for KEDLI's customers have declined since 1996. KEDLI 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.

¹ 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, KEDLI seeks to increase base delivery revenues by approximately \$142 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

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VP and Deputy General Counsel
New York Regulatory

Attachments

The tariff leaves submitted for filing are as follows:

PSC No. 1 – GAS

Fourteenth Revised Leaf No. 14

Seventh Revised Leaf No. 14.1

Fourth Revised Leaf No. 15.2

Seven Revised Leaf No. 17

Sixth Revised Leaf No. 17.1

First Revised Leaf No. 45

Third Revised Leaf No. 50

Second Revised Leaf No. 50.1

Third Revised Leaf No. 62

Fifth Revised Leaf No. 63

Sixth Revised Leaf No. 63.1

Eleventh Revised Leaf No. 69

Third Revised Leaf No. 69.1

Third Revised Leaf No. 69.2

Tenth Revised Leaf No. 70

Second Revised Leaf No. 70.1

Original Leaf No. 70.2

Original Leaf No. 70.3

Tenth Revised Leaf No. 71

Third Revised Leaf No. 71.1

Twelfth Revised Leaf No. 72

Third Revised Leaf No. 72.1

Second Revised Leaf No. 72.2

First Revised Leaf No. 72.3

Fifth Revised Leaf No. 73

Fourth Revised Leaf No. 73.1

First Revised Leaf No. 73.1.1

Fifth Revised Leaf No. 73.2

Original Leaf No. 73.2.1

Fourth Revised Leaf No. 73.3

Original Leaf No. 73.4

Original Leaf No. 73.4.1

Original Leaf No. 73.5

Sixth Revised Leaf No. 74

Tenth Revised Leaf No. 74.1

Eighth Revised Leaf No. 75

Seventh Revised Leaf No. 76

Seventh Revised Leaf No. 77

Fifth Revised Leaf No. 78

Fifth Revised Leaf No. 79

Seventh Revised Leaf No. 79.2

First Revised Leaf No. 79.2.3

First Revised Leaf No. 79.3

Seventh Revised Leaf No. 119.49

Seventeenth Revised Leaf No. 119.50

Fourth Revised Leaf No. 119.52

Original Leaf No. 119.52.1

Original Leaf No. 119.52.2

Original Leaf No. 119.52.3
Third Revised Leaf No. 119.53
Thirteenth Revised Leaf No. 121
Thirteenth Revised Leaf No. 122
Fifth Revised Leaf No. 122.1
Tenth Revised Leaf No. 122.2
Tenth Revised Leaf No. 122.3
Twelfth Revised Leaf No. 124
Eleventh Revised Leaf No. 125
Tenth Revised Leaf No. 127
Eighth Revised Leaf No. 128
Thirteen Revised Leaf No. 129
Twelfth Revised Leaf No. 129.1
Fifth Revised Leaf No. 130
Nineteenth Revised Leaf No. 137
Sixth Revised Leaf No. 137.1
Twentieth Revised Leaf No. 138
Ninth Revised Leaf No. 149
First Revised Leaf No. 150.2
Tenth Revised Leaf No. 151
Sixth Revised Leaf No. 162
Fifth Revised Leaf No. 164
First Revised Leaf No. 165
Second Revised Leaf No. 169
Ninth Revised Leaf No. 170

Attachment 1

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Second Revised Leaf No. 171

Tenth Revised Leaf No. 177

Seventh Revised Leaf No. 211

Eighth Revised Leaf No. 213

PSC NO: 1-GAS
 COMPANY: KEYSPAN GAS EAST CORPORATION
 INITIAL EFFECTIVE DATE: 01/01/2017

STATEMENT TYPE: GAC
 STATEMENT NO: XXXX
 PAGE 1 OF 4

PRO-FORMA
STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS
Applicable to Billing for Service Classification Nos. 1, 2, 3 & 17

¢ 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 XXXX (Effective XXXX)	X.XXXX
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	X.XXXX
7. Monthly Cost of Gas and Adjustments (5b + 6g)	X.XXXX

Issued by: David B. Doxsee, Vice President, Hicksville, NY
 KeySpan Gas East Corporation

PSC NO: 1-GAS
 COMPANY: KEYSPAN GAS EAST CORPORATION
 INITIAL EFFECTIVE DATE: 01/01/2017

STATEMENT TYPE: GAC
 STATEMENT NO: XXXX
 PAGE 2 OF 4

PRO-FORMA
STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS
Applicable to Billing for Service Classification No. 15

¢ 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 XXXX (Effective XXXX)	X.XXXX
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	X.XXXX
7. Monthly Cost of Gas and Adjustments (5b + 6g)	X.XXXX

Issued by: David B. Doxsee, Vice President, Hicksville, NY
 KeySpan Gas East Corporation

PSC NO: 1-GAS
 COMPANY: KEYSPAN GAS EAST CORPORATION
 INITIAL EFFECTIVE DATE: 01/01/2017

STATEMENT TYPE: GAC
 STATEMENT NO: XXXX
 PAGE 3 OF 4

PRO-FORMA
STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS
Applicable to Billing for Service Classification No. 16

¢ 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 XXXX (Effective XXXX)	X.XXXX
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	X.XXXX
7. Monthly Cost of Gas and Adjustments (5b + 6g)	X.XXXX

Issued by: David B. Doxsee, Vice President, Hicksville, NY
 KeySpan Gas East Corporation

PSC NO: 1-GAS
 COMPANY: KEYSPAN GAS EAST CORPORATION
 INITIAL EFFECTIVE DATE: 01/01/2017

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

PRO-FORMA
STATEMENT OF MONTHLY COST OF GAS AND ADJUSTMENTS
Applicable to Billing for Service Classification No. 9

¢ 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 XXXX (Effective XXXX)	X.XXXX
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	X.XXXX
7. Monthly Cost of Gas and Adjustments (5b + 6g)	X.XXXX

Issued by: David B. Doxsee, Vice President, Hicksville, NY
 KeySpan Gas East Corporation

PSC NO: 1 GAS
COMPANY: KEYSPAN GAS EAST CORP. d/b/a BROOKLYN UNION OF L.I.
INITIAL EFFECTIVE DATE: 01/01/2017
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, 15,
16 & 17 Firm Sales & SC 5 Firm Transportation

XXXX

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

KeySpan Gas East Corporation
d/b/a National Grid
2016 Gas Rate Case
List of Witnesses

Witness	Title	Purpose of Testimony	Book
Kenneth D. Daly, CFA	President and Chief Operating Officer, New York	Policy issues, overview of filing	1
Elizabeth D. Arangio	Director, Gas Supply Planning	Gas supply purchasing	1
Ann E. Bulkley	Concentric Advisors	Return on equity	2
Keri Sweet Zavaglia	Vice President of New York Performance and Strategy	Management Audit Implementation Plan	2
Stephen Caldwell	Director, Regulatory Strategy & Integrated Analytics	Cost of capital and capital structure	3 - LI
Sean Mongan	Vice President of Customer Process and Performance	Economic development, gas conversion rebates, education and outreach, research and development and gas demonstration projects	3 - LI
Gas Infrastructure and Operations Panel 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 – LI
Charles F. Willard	Director, Site Investigation and Remediation	SIR program	5 – LI
Paul M. Normand	Management Applications Consulting, Inc.	Gas depreciation rates	5 – LI
Maureen P. Heaphy	Vice President of US Compensation, Benefits and Pensions	Employee compensation and benefits	6

KeySpan Gas East Corporation
d/b/a National Grid
2016 Gas Rate Case
List of Witnesses

Witness	Title	Purpose of Testimony	Book
Gas Safety Panel			6
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		
Theodore E. Poe	Manager, Gas Load Forecasting and Analysis	Gas sales forecast	7-8
Shared Services			9
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		

KeySpan Gas East Corporation
d/b/a National Grid
2016 Gas Rate Case
List of Witnesses

Witness	Title	Purpose of Testimony	Book
Revenue Requirements Panel			10-15 – LI
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		
Gas Rate Design Panel		Gas marginal and embedded cost of service studies, revenue forecast, rate design, tariff changes	16-18 – LI
Pamela Dise	Director, New York Pricing		
Dawn Herrity	Principal Program Manager, Gas Pricing New York		
Howard Gorman	President, HSG Group Inc.		
KEDLI Gas Tariff			PSC No. 1

Method of Service

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

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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