



Melissa R. Nairn
Manager – NY Gas Pricing

June 15, 2015

VIA ELECTRONIC FILING

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

**RE: Case No. 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009
Establishing a Temporary Annual Assessment Pursuant to Public Service Law
§18-a(6), Order Implementing Revised Temporary State Assessment; KeySpan Gas
East Corporation – Annual Changes to Temporary Assessment Surcharge**

Dear Secretary Burgess:

In accordance with the New York State Public Service Commission's ("Commission") Order¹ in the above-referenced proceeding, KeySpan Gas East Corporation d/b/a National Grid ("Company") hereby submits for filing the Statement of Incremental State Assessment Surcharge/Credit No. 4 to P.S.C. No. 1 GAS to become effective on July 1, 2015.

On April 7, 2009, New York State Legislature amended the Public Service Law ("PSL"), requiring the Department of Public Service to collect a Temporary State Energy and Utility Service Conservation Assessment ("TSA") effective from April 1, 2009 to March 31, 2014 (PSL §18-a(6)). On April 13, 2013, the State Legislature extended the TSA through March 2017, while decreasing the percentage associated with the assessment over time. In 2014, the rate of the decrease was further accelerated.

In the Order, the Commission authorized recovery of the necessary revenues required to pay the TSA from July, 1, 2014 through June 30, 2017. The Commission specified three different collection methodologies that consider whether the utility over- or under-collected its assessment as of June 30, 2014 and, to the extent such over collection occurred, the amount by which the over-collection exceeded the utility's estimated March 2015 assessment payment.

The Company has calculated the Incremental State Assessment Surcharge ("ISAS") to be implemented for the 12-months starting July 1, 2015 in accordance with the Commission's third collection methodology. Specifically, the ISAS is designed to collect estimated TSA payments in the second half of State Fiscal Year ("FY") 2015/16 (September 2015) and the first half of State FY 2016/17 (March 2016) less base rate recoveries plus uncollectible expense, carrying charges, and the Company's cumulative net under- or over-collection.

¹ Case 09-M-0311, "Order Implementing Revised Temporary State Assessment" (issued June 18, 2014) ("Order").

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Included with this filing are the following attachments:

- Attachment 1 shows the Company's computation of the TSA for State FY 2015/16, as well as the computation of the estimated TSA payments for September 2015 and March 2016 that underlie the ISAS and the computation of the associated uncollectible expense and carrying charges.
- Attachment 2 shows the Company's reconciliation of TSA payments made in State FY 2014/15 (March 2014 and September 2014) and in the first half of State FY 2015/16 (March 2015) to estimated ISAS recoveries for the period July 1, 2014 to June 30, 2015. As shown on the attachment, the Company has a net under recovery of ISAS relative to TSA payments.
- Attachment 3 shows the Company's computation of the ISAS factors to be implanted for each service class for the 12-months starting July 1, 2015.

In accordance with Ordering Clause Four of the Order, PSL §66(12)(b) and 16 NYCRR §720-8.1 on publication of tariff changes are waived.

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

Thank you for your assistance and cooperation.

Sincerely,

Melissa R. Nairn, Manager
New York Gas Pricing

CC: Ronald Calkins, DPS Staff
Carol Gnacik, Office of Administration – Finance & Budget Section
JoAnn Dollar, Office of Administration – Finance & Budget Section
Active Parties (via DMM)