

Kellie I. Smith
Manager – NY Gas Pricing



June 15, 2016

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:

This filing is submitted by KeySpan Gas East Corporation d/b/a National Grid (“Company”) in compliance with the Commission’s Order of June 18, 2014 and April 17, 2015 in the above proceeding (“Order”).¹

Statement of Incremental State Assessment Surcharge No. 5
To PSC No. 1- Gas

Effective July 1, 2016

On April 7, 2009, New York State enacted the budget for 2009-2010, which required the Department of Public Service to collect a Temporary State Energy and Utility Service Conservation Assessment (Public Service Law (“PSL”) §18-a(6)) (“TSA”), effective from April 1, 2009 to March 31, 2014. On April 13, 2013, the New York State Legislature extended the TSA through March 2017, while decreasing the percentage associated with the assessment over time. In 2014, the Legislature further amended PSL §18-a(6) and the rate of the decrease was further accelerated.

In the Order, the Commission authorized recovery of the necessary revenues required to pay the TSA, including carrying charges, subject to reconciliation, from July, 1, 2014 through June 30, 2017 (or December 31, 2017, if applicable per the Order). The Commission required the affected utilities to implement collection methodologies that will: (i) eliminate any current

¹ Case 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” (issued June 18, 2014 and April 17, 2015)

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deferral balance by June 30, 2015; (ii) factor in the reductions to the assessment in accordance with the amendments to PSL §18-a(6); and (iii) ensure that future deferral balances are minimized. The Commission imposed three different collection methodologies that consider whether the utility has over- or under-collected its assessment as of June 30, 2014 and, to the extent the utility has over-collected, the amount over-collected exceeds the estimated March 2015 assessment payment.

For the period from July 1, 2015 through December 31, 2017 (or June 30, 2017, if applicable per the body of the Order), each utility is authorized to file annual changes to their TSA surcharge on fifteen (15) days' notice.

The Company's computation of the Fiscal Year 2016/2017 and Fiscal Year 2017/2018 Combined Temporary and General Assessment is shown in Attachment 1 to this filing.

The Company also includes as Attachment 2 to this filing the Company's reconciliation of the 18-A payments to estimated recoveries plus applicable carrying charges net of taxes for the collection period July 1, 2015 through June 30, 2016.

Included with this filing are the following attachments:

Attachment 1: Computation of Estimated 18-A Temporary State Assessment for State Fiscal Year 2016/2017 and Fiscal Year 2017/2018

Attachment 2: Annual Reconciliation of Estimated 18-A Temporary State Assessment Recoveries and Costs

Attachment 3: Estimated Temporary 18a Assessment Rate Design

Any questions regarding this filing should be directed to Rozita Shortell at (315) 460-1023 or at rozita.shortell@nationalgrid.com

Thank you for your assistance and cooperation.

Sincerely,
Kellie I. Smith, 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)