

Filed! First rate case proposals in a decade for NYC and Long Island

Author: test

Filings Propose to Modernize Gas Infrastructure and Enhance Customer Service for 1.8 million Customers, Improve Storm Resiliency and Expand Gas Availability

In order to continue meeting its customers' energy needs now and in the future, National Grid filed rate proposals today with the New York State Public Service Commission (NYSPSC) to update and re-set our natural gas delivery rates for 2017 in New York City and Long Island for the first time in a decade. During 2016, the stable delivery rates that have been in effect since 2008 will remain in place.

Our rate case proposals will allow us to continue investing in our natural gas networks and improve service to our 1.8 million customers in Brooklyn, Queens and Staten Island and Long Island/Rockaway Peninsula.

“National Grid has invested more than \$4.5 billion over the past decade to modernize and build a safer and more reliable natural gas system for our customers. During this period of time, we have also maintained stable delivery rates for our customers,” said **Ken Daly**, President, New York. “Now, as we respond to the need to invest even more into our aging gas networks and prepare for the future needs of our customers, the investments required to provide this service have increased. The proposals will allow us to accelerate our gas main replacement program, improve critical customer service, and ensure that we have a modernized and technologically advanced natural gas system for our customers and the communities we serve now and in the future.”

The rate case proposals will allow National Grid to:

Modernize and enhance the safety, reliability and resiliency of our gas infrastructure

- Significantly accelerate our gas main replacement program: Replace at least 165 miles of aging pipe per year across NYC and LI.
- Storm harden flood prone areas: Install automated shut-off valves with sensors that stop the flow of gas as soon as flooding is detected and replacing low pressure pipe in areas susceptible to water intrusion.
- Upgrade liquefied natural gas (“LNG”) facilities that play a critical role in meeting peak day supply.

Upgrade the gas network to deliver economic and environmental benefits

- Install new transmission and distribution pipes to serve growing demand for gas and improve reliability.
- Pilot programs for new gas technologies in support of the New York State Reforming the Energy Vision (REV) initiative:
 - Smart, Resilient Homes
 - Combined Heat & Power and Distributed Generation
 - Commercial Gas Demand Response
- Meet ongoing responsibility of environmental stewardship.

Gas expansion and growth

- Extend pilot expansion program to support the growth of natural gas on Long Island and support gas growth programs to help meet environmental goals, such as NYC's Clean Heat initiative.
- Add more than 15,000 new gas heat customers per year, including new construction and customers converting to natural gas from more expensive and less environmentally clean fuels.

Improve customer service capabilities

- Enhance customer assistance programs.
- Create outreach centers in Brooklyn and Long Island to further educate customers on managing their energy usage and gas safety.
- Improve customer service by using new technology and establish higher performance targets for customer call response service levels.
- Complete the roll-out of a multi-year program to deploy 1 million Automated Meter Reading devices in NYC/LI.

Deliver economic development funding and promote Science, Technology, Engineering, and Mathematics (STEM) education programs

- Allow for business expansion that will create jobs and promote clean energy and new technologies.
- Partner with vocational schools, community colleges and veterans' associations to create a job "pipeline" into the industry through the promotion of STEM programs.

To fund these investments, our proposals seek a revenue increase of \$245 million for our 1.2 million NYC customers and \$142 million for our 570,000 Long Island customers. These revenue increases are required to provide safe and reliable customer service, and to provide funding for the costs and investments needed to modernize and grow the system to meet the needs of a 21st century economy.

The total proposed bill impact for a New York City typical residential heating customer is 14 percent or \$13.98 per month and 12 percent or \$13.40 per month for a Long Island/Rockaway Peninsula customer. These bill impacts are below inflation rates over the past decade. The effect on individual monthly bills will vary depending on natural gas usage and customer classification.

The proposed bill impacts will be offset to some extent by natural gas prices, which are at a 14-year low. The cost to heat a home with natural gas is currently at a 40-50 percent discount to competing fuels and is much cleaner from an environmental standpoint.

To help mitigate bill impacts, we are offering to phase in the increases over the course of a multi-year rate plan.

The proposals will undergo a thorough review process by the NYSPSC that typically lasts 11 months. If approved, the new delivery charges would take effect on January 1, 2017.

For more information on our rate case proposals, please see a short, [narrated video presentation](#) by Ken Daly:

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We also have a [dedicated Infonet site](#) (must be connected to the National Grid network).

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