



**Niagara Mohawk Power Corporation  
d/b/a National Grid  
Proposed Rate Increase**



In April 2017, Niagara Mohawk Power Corporation d/b/a National Grid requested that the New York State Public Service Commission approve a proposed increase in its electric and gas delivery service rates. National Grid serves approximately 3.2 million customers in 37 counties in Upstate, Central and Western New York State.

The utility's filing includes the utility's proposed new rates and the supporting documentation to justify its proposal. Once the filing was received, a formal rate case proceeding was initiated. Department of Public Service (DPS) Staff began an analysis of the Company's request to evaluate whether – or to what extent – a rate increase is justified. DPS represents the public interest in rate proceedings and evaluates such requests with the goal of ensuring safe and reliable service at just and reasonable rates. Review of the National Grid filing is also underway by other parties to the proceeding.

**SUMMARY OF THE RATE CASE**

On April 28, 2017, National Grid filed for new electric and gas delivery rates to be effective beginning April 1, 2018, through March 31, 2019. According to the filing, the Company's proposal will enable National Grid to continue to provide safe and reliable electric and gas service. National Grid asserts that the rate request will also allow the Company to provide enhanced low-income customer programs, modernize the electric distribution system, and create programs providing customers with the opportunity to better manage their energy consumption.

**Proposed Rates:**

An electric or gas bill consists of two parts: delivery and supply. The *delivery* charge is the cost to transport the electricity or gas to customers throughout the utility's system. This fee is regulated by the Commission. The *supply* charge is the cost of the electricity or gas itself. This cost is determined by the competitive market place and is not controlled by the Commission or the utility.

**Electric Rates:** Under this proposal, National Grid requests an increase in annual electric delivery revenues by approximately \$326 million (a 22.8% delivery revenue increase or 13% increase in total revenues). If the proposed rate request were to be approved, the Company estimates that the monthly bill for electric service to a residential heating customer using 600 kWh per month will increase by approximately \$11.23 (21.8% increase on the delivery charge or a 13.9% increase on the total bill).

**Gas Rates:** For its gas business, National Grid is requesting a delivery revenue increase of approximately \$81 million (24% increase in base delivery revenues, or 14% increase in total revenues). The Company projects that the requested increase in delivery revenues will result in a monthly bill increase of about \$10.38 (24.8% on the delivery charge or 14.9% increase on the total bill) for an average residential heating customer using 77 therms per month.

### **Rate Case Components:**

- **Electric Transmission and Distribution System Improvements:** National Grid proposes several new or enhanced programs to increase the reliability, safety and resiliency of the electric transmission and distribution systems. The Company is proposing enhanced tree trimming to address reliability concerns arising from Emerald Ash Borer infestation. Additionally, National Grid's proposal includes expenditures to address new load growth on its system as well as aging infrastructure replacement.
- **System Modernization:** The Company proposes several new initiatives to modernize their electric distribution system. These initiatives, such as the development of a distributed generation interconnection portal, will enable new technologies to be integrated onto the system. Additionally investment in this area will provide for greater system visualization, and increased automation leading to improvements in outage restoration.
- **Low Income Programs:** National Grid proposes to enhance its low income programs, including providing tiered monthly bill discounts to customers who receive a Home Energy Assistance Program benefit and establishing a fuel conversion program to convert low-income customers living near a gas main at no cost.
- **New Programs:** National Grid is proposing new programs to engage customers. The Company plans to develop a residential solar marketplace to inform customers and match customers interested in installing solar panels with providers in the area. The Company is also proposing a geothermal heating and cooling project to explore the use of underground heat exchangers used in combination with advanced solar hot water panels.
- **Street Lighting:** National Grid proposes to make Light Emitting Diode (LED) street lights the standard for replacement for luminaire failures in the event the failure cannot be remedied by simple maintenance such as a bulb replacement. The Company also plans on implementing an energy efficiency program that provides incentives to facilitate municipalities' conversion to LED street lights.
- **Leak Prone Pipe Retirement:** National Grid has approximately 675 miles of leak prone pipe (LPP) inventory. The Company proposes to accelerate current LPP retirement efforts to 50 miles per year, which will result in the retirement of the entire LPP inventory within fifteen years. The Company proposes to either increase, maintain or modify its existing leak backlog, emergency response, damage prevention and compliance measures.
- **Gas Business Enablement:** To address aged computer systems, manage regulatory compliance, standardize operational processes and enhance work management, the Company is proposing to develop new information systems programs collectively called Gas Business Enablement (GBE). According to National Grid, the benefits of the GBE system are providing more efficient asset management, operational effectiveness, establishment of standard processes and training for its employees and enhanced customer interaction.
- **Advanced Metering Infrastructure (AMI):** National Grid proposes to replace its electric and gas metering technology with AMI and AMI-compatible technology that will provide customers with more detailed information regarding their energy consumption.

The full text of the rate case may be viewed online at DPS's [www.dps.ny.gov](http://www.dps.ny.gov) website. From the homepage, click on "Search," and enter the case number (17-E-0238 and 17-G-0239) in the "Search by Case Number" field.

## PUBLIC INVOLVEMENT

For major gas and electric utility filings, the Commission is required to render a decision on the rate request within 11 months. Under New York State Law, the Commission must consider a utility's proposal and may adopt or reject it in whole or in part, or modify it by adopting changes proposed by participating parties, the general public or the Commission.

The Commission strongly believes that obtaining public input is a critical component of the rate setting process. Stakeholders such as consumers, government agencies and officials, public interest and environmental groups and industry representatives are invited to participate in the process, review the proposal and submit comments. An Administrative Law Judge (ALJ) will preside over the gathering of public comments and all evidence relating to the rate request.

There are several ways to participate in the rate case process, including:

- **Provide Comments:** Comments submitted through the methods indicated below will be accepted at any point while this proceeding is pending. All comments will become part of the record considered by the Commission:
  - **Via Public Statement Hearings:** The Commission will hold hearing in multiple locations in National Grid's service territory during July and August 2017. Interested members of the public are invited to attend the public statement hearings and provide comments regarding the proposal. The hearings will be preceded by an information session where a National Grid representative will describe the Company's filing and DPS Staff will explain the rate case process and how individuals can participate. It is not necessary to make an appointment in advance or present written material in order to speak at the hearings.
  - **Via the Department's Website:** Comments may also be entered directly into the case via the [www.dps.ny.gov](http://www.dps.ny.gov) website. Enter the associated case numbers (17-E-0238 and 17-G-0239) in the "Search by Case Number" field on the homepage of the website. After clicking to open the case, enter comments in the "Post Comments" section located at the top of the page.
  - **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail or delivery to Secretary Burgess at the Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments delivered in these manners should reference "National Grid Rate Case" (17-E-0238 and 17-G-0239).
  - **Via Toll-Free Opinion Line:** Individuals may choose to comment by calling the Commission's Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Callers should press "1" to leave comments about Cases 17-E-0238 and 17-G-0239 "National Grid Rate Case." Comments received via the Opinion Line are not transcribed, but a summary is provided to the Commission for their consideration.

- **Request Party Status:** Some individuals or groups participate in rate cases by becoming a party in the case. Generally, parties commit to contribute to the development of a complete record in a proceeding by conducting discovery, submitting testimony, briefs, or other formal written comments, and/or participating in evidentiary hearings, procedural conferences and other formal events conducted in the case. A request for party status can be submitted online through the Commission's [www.dps.ny.gov](http://www.dps.ny.gov) website by searching for the case numbers and clicking the "Request for Party Status" link at the top of the Case page. Alternatively, a request form can be downloaded from the website or by writing to the ALJ, NYS Public Service Commission, Three Empire State Plaza, Albany, NY 12223. The requestor will be provisionally given party status, subject to the right of other parties to object and subject to the determination of the ALJ.
  
- **Join the Service List:** Interested persons who wish to monitor the proceedings of a particular case can do so without the formal commitment to become a party to the proceeding. The persons who subscribe to the service list of a case will receive an e-mail with a direct link to the documents issued by the Commission, such as orders, notices, and rulings. Persons unable or unwilling to receive such electronic notification will receive hard copies of Commission-issued documents by regular mail.

To register online, click on the "Subscribe to Service List" link at the top of the dedicated page for Cases 17-E-0238 and 17-G-0239. A "Service List and Mail Service List Request Form" can be downloaded from the site and the completed form sent by e-mail to Hon. Kathleen H. Burgess, Secretary at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail to: Secretary, Public Service Commission, Three Empire State Plaza, Albany, NY 12223-1350.
  
- **Monitor the Case on the Commission Website:** Interested persons who choose not to sign up to receive e-mail notifications can view our website at their convenience to check on the status of a case. For a given case, all documents filed by parties, correspondence, hearing transcripts, and Commission issued documents are posted on the website. All comments submitted by the public are posted under the 'public comments' tab for the case.

The public statement hearing dates and locations for the National Grid rate proposal are as follows:

<b>Date</b>	<b>Location</b>	<b>Time</b>
<b>Tuesday, July 25</b>	Schenectady County Community College Stockade 101 78 Washington Avenue Schenectady, NY 12305	Information Session – 1 pm Public Statement Hearing – 2 pm
<b>Tuesday, July 25</b>	Hilton Garden Inn Sage II Conference Room 235 Hoosick Street Troy, NY 12180	Information Session – 6 pm Public Statement Hearing – 7 pm
<b>Thursday, July 27</b>	Lake Placid Olympic Conference Center 2608 Main Street Lake Placid, NY 12946	Information Session – 2 pm Public Statement Hearing – 3 pm  Information Session – 6 pm Public Statement Hearing – 7 pm
<b>Monday, July 31</b>	Nottingham High School Auditorium 3100 East Genesee Street Syracuse, NY 13224	Information Session – 2 pm Public Statement Hearing – 3 pm  Information Session – 6 pm Public Statement Hearing – 7 pm
<b>Tuesday, August 1</b>	Buffalo & Erie County Public Library Gallery Conference Room 1 Lafayette Square Buffalo, NY 14203	Information Session – 2 pm Public Statement Hearing – 3 pm  Information Session – 6 pm Public Statement Hearing – 7 pm