



Kellie I. Smith  
Manager – NY Gas Pricing

December 12, 2016

Honorable 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

Re: Case No. 14-G-0214 – Petition of KeySpan Gas East Corporation d/b/a National Grid  
Authority to Defer Costs Associated with Incremental Capital Expenditures and Other  
Related Relief

Dear Secretary Burgess:

On December 14, 2015, the New York Public Service Commission issued an “Order Directing Investments and Allowing, In Part, Deferral Authority for Costs Associated with Incremental Capital Expenditures and Establishing a Surcharge” in the above-referenced case, in which it direct KeySpan Gas East Corporation d/b/a National Grid (“Company”), *inter alia*, to create a 21-month (April 1, 2015 to December 31, 2016) surcharge mechanism capped at \$23.4 million dollars to recover carrying costs associated with the removal of leak prone pipe.

As the leak prone pipe surcharge is set to expire on December 31, 2016, the Company hereby submits Leak Prone Pipe Statement No. 2 to become effective on January 1, 2017, which shows that the surcharge will be zero (\$0).

The Company also notes that it plans to delay its reconciliation of any over- or under-collection of the surcharge pending the Commission’s order on the Company’s current rate case filing.

Please direct any questions pertaining to this filing to Rozita Shortell at (315) 460-1023.

Respectfully Submitted,

/s/ Kellie I. Smith

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