



Phil A. DeCicco
Acting Vice President and Deputy General
Counsel
New York Regulatory

April 28, 2017

Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223

Dear Secretary Burgess:

Enclosed are the following materials issued and transmitted for filing by Niagara Mohawk Power Corporation d/b/a National Grid ("Niagara Mohawk" or "Company") in accordance with the requirements of the New York State Public Service Commission ("Commission").

1. Revised tariff leaves listed in Attachment 1 for P.S.C. 220 and 214 – Electricity and 219 – Gas to become effective June 1, 2017. Although the revised tariff leaves are proposed to be effective June 1, 2017, Niagara Mohawk understands that, after customary suspension periods, they will likely become effective April 1, 2018.¹ Attachment 2 contains the Company's pro forma statements for the Gas Safety and Reliability Surcharge and Earnings Adjustment Mechanism.
2. The prepared written testimony and exhibits of the Company's witnesses, as identified in Attachment 3, in support of the proposed rate and tariff changes, which constitute Niagara Mohawk's direct case in support of its rate filings.
3. A proposed notice of the filings suitable for use under the State Administrative Procedure Act.
4. The Commission's Method of Service form regarding consent to receive all orders in this proceeding by electronic means.

The Rate Filings

In real terms, Niagara Mohawk has provided its electric and gas customers with more than a decade of price stability. Despite the Company's efforts to operate as efficiently as possible, the Company's current rate allowances are inadequate to cover its cost of providing service. Increased capital expenditures and operation and maintenance expense that are not

¹ The revised tariff sheets are being transmitted electronically to the Commission contemporaneously with this filing in accordance with applicable procedures. Copies are included with this transmittal letter.

reflected in current rates are the principal drivers of the Company's revenue deficiencies. A revenue increase is needed to fund necessary electric and gas capital investments and programs to modernize the Company's infrastructure and provide safe and reliable service to customers.

In its filings, Niagara Mohawk seeks to adjust its base electric and gas delivery rates to eliminate electric and gas revenue deficiencies of \$326 million and \$81 million, respectively, in the twelve months ending March 31, 2019 ("Rate Year"). To mitigate bill impacts for customers and maintain rate stability, the Company is proposing to amortize a portion of its deferred regulatory liabilities to offset the Company's need for rate relief. While the Company's filings propose new rates for the Rate Year only, Niagara Mohawk is interested in exploring a multi-year settlement that would allow for a phase in of the revenue increases and the ability to better manage the impact on customers' bills. To facilitate such discussions, the Company has included costs projections for two additional years, along with a proposed approach to phase in the revenue increases.

In advance of the filings, Niagara Mohawk held more than 250 outreach meetings with customers, state agencies, local governments, school districts, and economic and community partners. With the benefit of the knowledge gained from those meetings, the Company designed this filing to address the priorities shared among the Company, customers, and key stakeholders. The filing includes measured proposals for modernizing the Company's electric and gas infrastructure, enhancing safety, reliability, and customer service, assisting our most vulnerable customers, delivering economic and environmental benefits to the region, helping commercial and industrial customers manage their energy consumption and stay competitive, and promoting energy technologies and markets that support New York State's energy vision.

The proposals in these filings are necessary to provide the Company with compensatory rates and the opportunity to earn a reasonable return on equity. Such rate structure will enable the Company to provide safe and reliable electric and gas service and continue to meet the expectations of its customers.

Newspaper publication will be made in accordance with §66(12) of the Public Service Law and 16 NYCRR §720-8.

Respectfully submitted,

/s/ Philip A. DeCicco

Philip A. DeCicco

Acting Vice President and Deputy General Counsel
New York Regulatory

Attachments

Cc: New York State Department of State Utility Intervention Unit

The tariff leaves submitted for filing are as follows:

PSC No. 220 – Electricity

Eleventh Revised Leaf No. 2
Sixteenth Revised Leaf No. 3
Third Revised Leaf No. 77
Third Revised Leaf No. 78
Third Revised Leaf No. 87
First Revised Leaf No. 88
Third Revised Leaf No. 123
Second Revised Leaf No. 152
Third Revised Leaf No. 159
Third Revised Leaf No. 160
Third Revised Leaf No. 161
First Revised Leaf No. 162
First Revised Leaf No. 163
Third Revised Leaf No. 164
First Revised Leaf No. 165
First Revised Leaf No. 166
First Revised Leaf No. 167
Second Revised Leaf No. 168
First Revised Leaf No. 169
Fourth Revised Leaf No. 170
Third Revised Leaf No. 171
Second Revised Leaf No. 172
Third Revised Leaf No. 173
First Revised Leaf No. 174
First Revised Leaf No. 175
Fifth Revised Leaf No. 176
First Revised Leaf No. 177
First Revised Leaf No. 178
First Revised Leaf No. 179
First Revised Leaf No. 180
First Revised Leaf No. 181
Thirteenth Revised Leaf No. 182
First Revised Leaf No. 183
Second Revised Leaf No. 184
Second Revised Leaf No. 185
First Revised Leaf No. 186
Second Revised Leaf No. 187
First Revised Leaf No. 188
First Revised Leaf No. 189
First Revised Leaf No. 190
First Revised Leaf No. 191
Thirteenth Revised Leaf No. 192
First Revised Leaf No. 193
First Revised Leaf No. 194

Second Revised Leaf No. 194.1
Third Revised Leaf No. 194.2
First Revised Leaf No. 194.3
Second Revised Leaf No. 194.4
Seventh Revised Leaf No. 194.5
Second Revised Leaf No. 194.5.1
Fifth Revised Leaf No. 194.6
First Revised Leaf No. 194.7
Third Revised Leaf No. 194.8
Second Revised Leaf No. 194.9
Fifth Revised Leaf No. 194.10
Fifth Revised Leaf No. 213
Ninth Revised Leaf No. 222
Eighth Revised Leaf No. 222.1
Seventh Revised Leaf No. 222.2
Eighth Revised Leaf No. 223
Fourth Revised Leaf No. 224
Thirteenth Revised Leaf No. 263.2
Fourth Revised Leaf No. 263.3
Second Revised Leaf No. 263.4
Ninth Revised Leaf No. 263.7
Second Revised Leaf No. 263.11
Second Revised Leaf No. 263.21
Third Revised Leaf No. 325
Third Revised Leaf No. 332
Third Revised Leaf No. 342
Thirteenth Revised Leaf No. 349
Thirteenth Revised Leaf No. 350
Fifth Revised Leaf No. 355
Twentieth Revised Leaf No. 359
Fourteenth Revised Leaf No. 370
Nineteenth Revised Leaf No. 371
Sixteenth Revised Leaf No. 379
Fourteenth Revised Leaf No. 381
First Revised Leaf No. 386
Thirteenth Revised Leaf No. 391
Fourteenth Revised Leaf No. 392
Sixth Revised Leaf No. 400
Seventh Revised Leaf No. 401
Tenth Revised Leaf No. 407
Sixth Revised Leaf No. 408.4
First Revised Leaf No. 408.6
Thirteenth Revised Leaf No. 421
Thirteenth Revised Leaf No. 422
Thirteenth Revised Leaf No. 423
Thirteenth Revised Leaf No. 424
Eleventh Revised Leaf No. 425
Ninth Revised Leaf No. 432

Third Revised Leaf No. 450
Third Revised Leaf No. 451

Effective: June 1, 2017

PSC No. 214 – Electricity

Seventh Revised Leaf No. 5
Original Leaf No. 5.1
Fourth Revised Leaf No. 6
Thirty-Second Revised Leaf No. 7
Ninth Revised Leaf No. 8
Eighteenth Revised Leaf No. 9
Thirteenth Revised Leaf No. 9.2
Fifth Revised Leaf No. 9.6
Twelfth Revised Leaf No. 14.1
Eleventh Revised Leaf No. 15
Ninth Revised Leaf No. 16
Ninth Revised Leaf No. 17
Ninth Revised Leaf No. 18
Thirty-Sixth Revised Leaf No. 19
Sixth Revised Leaf No. 19.1
Eleventh Revised Leaf No. 28
Original Leaf No. 28.1
Thirteenth Revised Leaf No. 30
Sixteenth Revised Leaf No. 31
Fifteenth Revised Leaf No. 32
Thirteenth Revised Leaf No. 33
Twelfth Revised Leaf No. 33.1
Twelfth Revised Leaf No. 34
Eleventh Revised Leaf No. 35
Twelfth Revised Leaf No. 36
Thirteenth Revised Leaf No. 37
Twelfth Revised Leaf No. 38
Sixth Revised Leaf No. 38.1
Fourteenth Revised Leaf No. 39
Third Revised Leaf No. 39.1
Eleventh Revised Leaf No. 40
Tenth Revised Leaf No. 41
Twelfth Revised Leaf No. 42
Tenth Revised Leaf No. 54
Fourteenth Revised Leaf No. 55
Tenth Revised Leaf No. 56
Twenty-Sixth Revised Leaf No. 72
Thirtieth Revised Leaf No. 73
Sixth Revised Leaf No. 80
Thirty-Eighth Revised Leaf No. 82

Ninth Revised Leaf No. 83
Eighth Revised Leaf No. 84

Effective: June 1, 2017

PSC No. 219 – Gas

Tenth Revised Leaf No. 2
Sixth Revised Leaf No. 3
Third Revised Leaf No. 11
Second Revised Leaf No. 13
Ninth Revised Leaf No. 31
Fourth Revised Leaf No. 72
Fifth Revised Leaf No. 90
Second Revised Leaf No. 90.1
Seventh Revised Leaf No. 91
Sixth Revised Leaf No. 92
Tenth Revised Leaf No. 94
Sixth Revised Leaf No. 96.1
Eighth Revised Leaf No. 98
Sixth Revised Leaf No. 100
Third Revised Leaf No. 102
Second Revised Leaf No. 103
Third Revised Leaf No. 104
Fourth Revised Leaf No. 107
Second Revised Leaf No. 108
Second Revised Leaf No. 109
Second Revised Leaf No. 110
Seventh Revised Leaf No. 111
First Revised Leaf No. 111.1.1
Second Revised Leaf No. 111.2
First Revised Leaf No. 111.3
Sixth Revised Leaf No. 112
Fifth Revised Leaf No. 113
Fifth Revised Leaf No. 114
Fifth Revised Leaf No. 116
Sixth Revised Leaf No. 117
Tenth Revised Leaf No. 122.2
Eighth Revised Leaf No. 122.4
Second Revised Leaf No. 122.4.1
Seventh Revised Leaf No. 122.5
Second Revised Leaf No. 122.5.1
Second Revised Leaf No. 122.5.2
Eighth Revised Leaf No. 122.6
Third Revised Leaf No. 122.6.1
Ninth Revised Leaf No. 122.7
First Revised Leaf No. 122.11

Fifteenth Revised Leaf No. 124
Sixth Revised Leaf No. 125
Eleventh Revised Leaf No. 129
Tenth Revised Leaf No. 130
Third Revised Leaf No. 130.1
Second Revised Leaf No. 131
Tenth Revised Leaf No. 133
Tenth Revised Leaf No. 134
First Revised Leaf No. 135
Twenty-first Revised Leaf No. 141
Third Revised Leaf No. 143
Twelfth Revised Leaf No. 145
Nineteenth Revised Leaf No. 150
Fifth Revised Leaf No. 153
Eleventh Revised Leaf No. 154
Thirteenth Revised Leaf No. 155
Second Revised Leaf No. 156
Fourth Revised Leaf No. 157
Ninth Revised Leaf No. 160
Seventh Revised Leaf No. 167
Fifth Revised Leaf No. 187
Ninth Revised Leaf No. 189
Fifth Revised Leaf No. 190
Eighth Revised Leaf No. 215.1
Seventh Revised Leaf No. 215.2
First Revised Leaf No. 215.4
Eleventh Revised Leaf No. 216
Sixteenth Revised Leaf No. 216.1
Fourth Revised Leaf No. 217
Seventh Revised Leaf No. 218
First Revised Leaf No. 219.3
First Revised Leaf No. 219.4

Effective: June 1, 2017

PSC NO: 219 GAS
COMPANY: NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/01/2017
STAMPS:

STATEMENT TYPE: GSRS
STATEMENT NO: XX
PAGE 1 OF 1

Statement of Gas Safety and Reliability Surcharge

\$ per therm

Applicable to Billing for Service Classification Nos. 1, 2, 3, 5, 7, 8, 12 and 13 Firm
Sales and Firm Transportation Customers

XXXX

Issued by: Kenneth D. Daly, President, Syracuse, NY

PSC NO: 219 GAS
COMPANY: NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 06/01/2017
STAMPS:

STATEMENT TYPE: EAM
STATEMENT NO: XX
PAGE 1 OF 1

Earnings Adjustment Mechanism

	<u>\$ per therm</u>
SC-1 Residential	XXXX
SC-2 Small General	XXXX
SC-3 Large General	XXXX
SC-5 Firm Transport	XXXX
SC-7 Small Firm Transport	XXXX
SC-8 Standby Sales	XXXX
SC-12 -S / SC-12-L DG NonRes	XXXX
SC-13 DG Res	XXXX

Issued by: Kenneth D. Daly, President, Syracuse, NY

Niagara Mohawk Power Corporation
d/b/a National Grid
2017 Electric and Gas Rate Case
List of Witnesses

Witness	Title	Purpose of Testimony	Book
Kenneth D. Daly, CFA	President and Chief Operating Officer, New York	Policy issues, overview of filing	1
Keri Sweet Zavaglia	Vice President of New York Performance and Strategy	Management Audit and other operational audits	1
Information Systems Panel Anuraag Bhargava Daniel J. DeMauro Mukund Ravipaty Aman Aneja	 Senior Vice President and Chief Information Officer IS Regulatory Director, IS Risk and Security Director, IS Business Relations	Information systems investments and initiatives	1
Ann E. Bulkley	Concentric Advisors	Return on Equity	2
Stephen Caldwell	Director, Regulatory Strategy & Integrated Analytics	Cost of capital and capital structure	2
Electric Supply Panel Margaret M. Janzen Christopher L. Meyer	 Director, Wholesale Electric Supply Manager of New York Wholesale Electric Supply	Electric supply purchasing	3
Elizabeth D. Arangio	Director, Gas Supply Planning	Gas supply purchasing	3
Charles F. Willard	Director, Site Investigation and Remediation	SIR Program	3

Joseph F. Gredder	Manager, Electric Forecasting and Analysis	Electric sales forecast	4
Theodore E. Poe, Jr.	Manager, Gas Load Forecasting and Analysis	Gas sales forecast	4
Maureen P. Heaphy	Vice President of US Compensation, Benefits and Pensions	Employee compensation and benefits	5
Gas Safety Panel Ross Turrini Robert De Marinis Keri Sweet Zavaglia	Senior Vice President – Gas Process and Engineering Vice President – Maintenance & Construction New York Gas	Gas safety programs and gas safety performance metrics	5
Dr. Kimbugwe A. Kateregga	Foster Associates LLC	Electric depreciation	5 and 6
Shared Services Panel Jody Allison Paula Leaverton Kathryn Granger Arlene Gans	Vice President of Revenue Cycle Management Manager of the Property Tax Dept. Manager of Consumer Advocacy and Low Income Director Customer Contact Centers, New York	Property tax, uncollectible expense, customer service quality metrics, and low income programs, outreach and education, and enhanced bill design initiative	7
Electric Customer Panel Carlos A. Nouel	Vice President, New Energy Solutions	Electric customer products and services, REV demonstration projects, dynamic load management	7

John F. Isberg	Vice President, Customer Solutions	programs, energy efficiency, EAMs and platform service revenues, and economic development programs	
James M. Molloy	Director of Revenue Requirements		
Gas Customer Panel		Non-pipeline alternatives projects, energy efficiency, gas growth programs, EAM, and economic development programs	7
John F. Isberg			
James M. Molloy			
Gas Infrastructure and Operations Panel		Capital infrastructure and gas system operations	8
Ross Turrini			
John Stavrakas	Vice President for Gas Asset Management		
Keri Sweet Zavaglia			
Johnny Johnston	Senior Vice President for Gas Enablement		
Advanced Metering and Infrastructure Panel		AMI	9
John O. Leana	Director, Performance and Strategy New York		*note that Book 9 contains redacted material
James M. Molloy			
Pamela I. Echenique			
Outdoor Lighting Panel		Outdoor lighting services	9

Melanie W. Littlejohn	Vice President of Community and Customer Management		
John E. Walter	Manager of Outdoor Lighting – New York		
Pamela I. Echenique	Director of New York Pricing		
Electric Infrastructure and Operations Panel		Capital infrastructure and electric system operations	10 (Parts 1-5) *note that Part 3 contains redacted material
Keith P. McAfee	Vice President, New York Electric		
Christopher Kelly	Senior Vice President of Electric Process and Engineering		
Allen C. Chieco	Ombudsman Distributed Generation, New York Electric		
Peter F. Altenburger	Director, Distribution Overhead and Underground Lines, New York East		
Robert D. Sheridan	Director, New Energy Solutions		
Revenue Requirements Panel		Revenue requirements	11-17
David B. Doxsee	Vice President and Chief Financial Officer – New York		
Stephanie Briggs	Lead Specialist, Downstate New York Revenue Requirements		

James M. Molloy			
Gas Rate Design Panel		Rate design issues	18-19
Kellie I. Smith	Manager, Gas Pricing New York		
Pamela I. Echenique			
Howard S. Gorman	HSG Group Inc.		
Electric Rate Design Panel		Rate design issues	20-22
Pamela I. Echenique			
Howard S. Gorman			
Carol Teixeira	Manager, Electric Pricing New York		
Niagara Mohawk Electric Tariff			PSC No. 220 and 214
Niagara Mohawk Gas Tariff			PSC No. 219 – GAS

Method of Service

Name:	
Company/Organization:	
Mailing Address:	
Company/Organization you represent, if different from above:	
E-Mail Address:	
Case/Matter Number:	

Request Type

- ☐ New Petition/Application - I am filing a new petition/application which requires action by the Commission.
- ☐ Service List request – I request to be on the service list for the matter/case.
- ☐ Other – Type of request _____

Service Information *(Select one option below)*

- ☐ **Electronic Service and Waiver – Consent in Case/Matter Identified Above**
 As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in the above Case. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail and will receive all orders by electronic means in the above Case. This consent remains in effect until revoked.
- ☐ **Electronic Service and Waiver – Global Consent in All Cases/Matters**
 As duly authorized by the Participant identified above that I represent, I knowingly waive on behalf of that Participant any right under PSL §23(1) to be served personally or by regular mail with Commission orders that affect that Participant and will receive all orders by electronic means in all Cases where it participates. If participating individually, I knowingly waive any PSL §23(1) right to service of orders personally or by regular mail, and will receive all orders by electronic means in all Cases where I participate. This consent remains in effect until revoked.
- Note:** Due to the design of our system, this consent attaches to the individual named here and not to the party that may be represented by that individual. Therefore, individuals who represent multiple parties should be aware that a global consent will affect all matters in which they appear on behalf of any party.*
- ☐ I do **not** consent to receive orders electronically

E-Mail Preference *(Select one option below) – For Case specific request*

E-Mail notifications include a link to filed and issued documents.

- ☐ Notify me of Commission Issued Documents in this case/matter.
- ☐ Notify me of Both Commission Issued Documents and Filings in this case/matter
- ☐ Do not send me any notifications of filed or issued documents

Submitted by:	Date:
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