



**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.<sup>1</sup> 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

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<sup>1</sup> 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

<b>Witness</b>	<b>Title</b>	<b>Purpose of Testimony</b>	<b>Book</b>
<b>Kenneth D. Daly, CFA</b>	President and Chief Operating Officer, New York	Policy issues, overview of filing	1
<b>Keri Sweet Zavaglia</b>	Vice President of New York Performance and Strategy	Management Audit and other operational audits	1
<b>Information Systems Panel</b>  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
<b>Ann E. Bulkley</b>	Concentric Advisors	Return on Equity	2
<b>Stephen Caldwell</b>	Director, Regulatory Strategy & Integrated Analytics	Cost of capital and capital structure	2
<b>Electric Supply Panel</b>  Margaret M. Janzen  Christopher L. Meyer	  Director, Wholesale Electric Supply  Manager of New York Wholesale Electric Supply	Electric supply purchasing	3
<b>Elizabeth D. Arangio</b>	Director, Gas Supply Planning	Gas supply purchasing	3
<b>Charles F. Willard</b>	Director, Site Investigation and Remediation	SIR Program	3

<b>Joseph F. Gredder</b>	Manager, Electric Forecasting and Analysis	Electric sales forecast	4
<b>Theodore E. Poe, Jr.</b>	Manager, Gas Load Forecasting and Analysis	Gas sales forecast	4
<b>Maureen P. Heaphy</b>	Vice President of US Compensation, Benefits and Pensions	Employee compensation and benefits	5
<b>Gas Safety Panel</b>  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
<b>Dr. Kimbugwe A. Kateregga</b>	Foster Associates LLC	Electric depreciation	5 and 6
<b>Shared Services Panel</b>  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
<b>Electric Customer Panel</b>  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		
<b>Gas Customer Panel</b>		Non-pipeline alternatives projects, energy efficiency, gas growth programs, EAM, and economic development programs	7
John F. Isberg			
James M. Molloy			
<b>Gas Infrastructure and Operations Panel</b>		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		
<b>Advanced Metering and Infrastructure Panel</b>		AMI	9
John O. Leana	Director, Performance and Strategy New York		*note that Book 9 contains redacted material
James M. Molloy			
Pamela I. Echenique			
<b>Outdoor Lighting Panel</b>		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		
<b>Electric Infrastructure and Operations Panel</b>		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		
<b>Revenue Requirements Panel</b>		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			
<b>Gas Rate Design Panel</b>		Rate design issues	18-19
Kellie I. Smith	Manager, Gas Pricing New York		
Pamela I. Echenique			
Howard S. Gorman	HSG Group Inc.		
<b>Electric Rate Design Panel</b>		Rate design issues	20-22
Pamela I. Echenique			
Howard S. Gorman			
Carol Teixeira	Manager, Electric Pricing New York		
<b>Niagara Mohawk Electric Tariff</b>			PSC No. 220 and 214
<b>Niagara Mohawk Gas Tariff</b>			PSC No. 219 – GAS

## Method of Service

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

### **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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