



July 12, 2018

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 17-G-0239 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a/ National Grid for Gas Service.**

Dear Secretary Burgess:

To effectuate the provisions of Section IV.15.2.2 and Section IV.15.3 of the Joint Proposal adopted by the New York State Public Service Commission in its *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans* (issued and effective March 15, 2018) in Cases 17-E-0238 and 17-G-0239 (the “Order”), Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”) submits for filing the gas tariff leaves listed below:

Seventh Revised Leaf No. 117  
Third Revised Leaf No. 119  
Original Leaf No. 119.1  
Fourth Revised Leaf No. 120  
Second Revised Leaf No. 121  
Seventh Revised Leaf No. 122  
Fourth Revised Leaf No. 173  
Eleventh Revised Leaf No. 179  
Seventh Revised Leaf No. 180  
Seventh Revised Leaf No. 181  
Seventh Revised Leaf No. 183  
Original Leaf 183.1  
Sixth Revised Leaf No. 185  
Seventh Revised Leaf No. 217  
Tenth Revised Leaf No. 218

To Schedule for Gas Service, P.S.C. 219-GAS

Effective: 11/01/2018

The above-referenced tariff leaves establish a capacity release program to release to gas marketers/ESCOs a pro-rata share of all of the Company's gas supply assets (*i.e.*, provide a "slice of the system"), commencing in the winter of CY 2018/19. As explained in Section IV.15.3 of the Joint Proposal, allocation of the Company's capacity will be adjusted among ESCOs to meet East Gate and West Gate customer supply needs. The Company will release or assign to each ESCO its pro-rata share of each of the Company's pipeline and storage assets (regardless of whether the ESCO's customers are located in the east or west). The Company will also allocate a portion of its city gate peaking supplies to ESCOs to be managed by the Company, and provided to ESCOs, as needed. Consistent with Section IV.15.2.2 of the Joint Proposal, Tariff Leaf 179 provides that minimum daily delivery requirements may apply on all released capacity as indicated in the Company's Gas Transportation Operating Procedure ("GTOP") manual. The details of the capacity release program will be described in the Company's GTOP manual.

The above-referenced tariff leaves include changes to Service Classification 11 – Load Aggregation ("SC 11"), as well as revisions to certain provisions of Service Classification 14 - Gas Transportation Service for Dual Fuel Electric Generators ("SC 14") that are also impacted by the changes to the daily and monthly cashout provisions proposed for SC 11. Section IV.4.9.1 of the Joint Proposal stated that daily and monthly imbalances for SC 14 would be cashed out at an index price equal to the simple average of the Dominion Northpoint, Dominion South Point, and Iroquois receipts midpoint prices. However, based on collaborative sessions with the parties, and considering their feedback, and consistent with Section IV.15.3.1 of the Joint Proposal, the Company proposes to implement in SC 14 the same cashout provisions being proposed for SC11. As a consequence, the Company has included certain modifications, which are set forth in the attached Tariff Leaf 119, Rule 29.3.1.2.

Per Section IV.15.3.1 of the Joint Proposal, the Company held several meetings with ESCOs and other interested parties to explain the Company's proposal to implement the expanded capacity release program. ESCOs and other interested parties were given the opportunity to provide comments and feedback on the Company's proposal, and the Company considered that feedback in developing the final implementation plan, as noted above.

Attachment 1 of this filing contains the redlined tariff leaves showing the proposed revisions and Attachment 2 contains a pro forma Statement of Balancing Charge showing the proposed revisions. While not all inclusive, Attachment 3 provides a summary of the most significant changes that will be included in the GTOP prior to November 1, 2018.

In accordance with Section 720-2.3 of the Commission's Regulations, a proposed notice of this filing suitable for use under the State Administrative Procedure Act is also enclosed.

Waiver of the newspaper publication requirements of PSL §66-12 and 16 NYCRR 720.8 is requested for this filing. Specifically, the proposed revisions only impact ESCOs and a limited number of SC-14 customers. ESCOs and interested parties participated in several meetings with the Company to discuss the proposed changes and provided feedback, much of which was reflected in the tariff amendments. Under these circumstances, waiver of the publication requirement is appropriate.

If you have any questions concerning this filing, please contact me at (315) 428-6533.

Respectfully Submitted,

*/s/ Kellie I. Smith*

Kellie I. Smith

Manager, NY Gas Pricing

cc: Active Parties in Case No. 17-G-0239 (by electronic mail)