



Kellie I. Smith  
Manager – NY Gas Pricing

March 15, 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 16-G-0058– Proceeding on Motion of the Commission as to the Rates,  
Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a/  
National Grid for Gas Service.**

**Gas Safety and Reliability Surcharge (“GSRS”) for KeySpan Gas East  
Corporation d/b/a National Grid**

Dear Secretary Burgess:

KeySpan Gas East Corporation d/b/a National Grid (“the Company”) hereby submits its Statement of Gas Safety and Reliability Surcharge (“GSRS”) of PSC No. 1 Gas Tariff. The GSRS allows the Company to recover (i) a return in investment, depreciation expense and certain operations and maintenance expense associated with incremental replacement of leak prone pipe (“LPP”) above the levels funded in base rates, (ii) the cost to repair system leaks in excess of the Company’s leak backlog targets, and (iii) any positive revenue adjustments earned for LPP productivity, LPP removals, and leak repairs.

The KEDLI LPP retirement figure submitted represents the LPP retirement footage completed between January 1, 2017 and December 31, 2017. These projects are in various stages of closeout and certain of the projects submitted as part of this filing have “design” footage in place of “actual” footage until final closeout of project documentation occurs. “Design” footage represents a conservative estimate of the LPP retirement and, therefore, final closeout commonly results in the increase of LPP footage claimed per project. Once these remaining projects are closed out, the Company will determine the actual LPP footage for each. For this reason, final closeout of all CY17 documentation may require an amendment of the claimed LPP retirement footage.

The Company has calculated the GSRS related to the period January 1, 2017 through December 31, 2017. Effective April 1, 2018 through March 31, 2019, the following GSRS will be implemented:

- Service Classification Nos. 1, 2, 3, 15, 16, 17 and 5: \$0.00181 per therm.

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Attachment 1 contains the calculations used to develop the GSRS Surcharge.

Questions pertaining to this filing may be directed to Rozita Shortell at (315) 460-1023.

Respectfully Submitted,

*/s/ Kellie I. Smith*

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Manager, NY Gas Pricing