



Melissa R. Nairn  
Manager – NY Gas Pricing

June 15, 2015

**VIA ELECTRONIC FILING**

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

**RE: Case No. 09-M-0311 – Implementation of Chapter 59 of the Laws of 2009  
Establishing a Temporary Annual Assessment Pursuant to Public Service Law  
§18-a(6), Order Implementing Revised Temporary State Assessment; The Brooklyn  
Union Gas Company – Annual Changes to Temporary Assessment Surcharge**

Dear Secretary Burgess:

In accordance with the New York State Public Service Commission's ("Commission") Order<sup>1</sup> in the above-referenced proceeding, The Brooklyn Union Gas Company d/b/a National Grid NY ("Company") hereby submits for filing the Statement of Incremental State Assessment Surcharge/Credit No. 3 to P.S.C. No. 12 GAS to become effective on July 1, 2015.

On April 7, 2009, the New York State Legislature amended the Public Service Law ("PSL"), requiring the Department of Public Service to collect a Temporary State Energy and Utility Service Conservation Assessment ("TSA"), effective from April 1, 2009 to March 31, 2014 (PSL §18-a(6)). On April 13, 2013, the State Legislature extended the TSA through March 2017, while decreasing the percentage associated with the assessment over time. In 2014, the rate of the decrease was further accelerated.

In the Order, the Commission authorized recovery of the necessary revenues required to pay the TSA from July, 1, 2014 through June 30, 2017. The Commission specified three different collection methodologies that consider whether the utility over- or under-collected its assessment as of June 30, 2014 and, to the extent such over collection occurred, the amount by which the over-collection exceeded the utility's estimated March 2015 assessment payment.

The Company has calculated the Incremental State Assessment Surcharge ("ISAS") to be implemented for the 12-months starting July 1, 2015 in accordance with the Commission's third collection methodology. Specifically, the ISAS is designed to collect estimated TSA payments in the second half of State Fiscal Year ("FY") 2015/16 (September 2015) and the first half of State FY 2016/17 (March 2016) less base rate recoveries plus uncollectible expense, carrying charges and the Company's cumulative net under or over collection.

Included with this filing are the following attachments:

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<sup>1</sup> Case 09-M-0311, "Order Implementing Revised Temporary State Assessment" (issued June 18, 2014) ("Order").

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- Attachment 1 shows the Company's computation of the TSA for State FY 2015/16, as well as the computation of the estimated TSA payments for September 2015 and March 2016 that underlie the ISAS and the computation of the associated uncollectible expense and carrying charges.
- Attachment 2 shows the Company's reconciliation of TSA payments made in State FY 2014/15 (March 2014 and September 2014) and in the first half of State FY 2015/16 (March 2015) to estimated ISAS recoveries for the period July 1, 2014 to June 30, 2015. As shown on the attachment, the Company's under recovery of ISAS relative to TSA payments for the current collection period, July 1, 2014 to June 30, 2015, is completely offset by the cumulative over recovery from the prior five year collection period, July 1, 2009 through June 30, 2014.
- Attachment 3 shows the Company's computation of the ISAS factors to be implanted for each service class for the 12-months starting July 1, 2015.
- Attachment 4 contains an update to the Company's calculation of the TSA for State FY 2014/15. On June 27, 2014, the Company filed a preliminary TSA for State FY 2014/2015 based on an estimate of calendar year 2013 assessable revenues. Following the completion of the Company's 2013 Annual Report, the Company filed a revised TSA for State FY 2014/15 on November 24, 2014 based on updated calendar year 2013 assessable revenues. The Company has subsequently filed a revised 2013 Annual Report and has accordingly revised the TSA for State FY 2014/15 in this filing.

In accordance with Ordering Clause Four of Order, PSL §66(12)(b) and 16 NYCRR §720-8.1 on publication of tariff changes are waived.

Any questions regarding this filing should be directed to me at (929) 324-4587 or at [Melissa.Nairn@nationalgrid.com](mailto:Melissa.Nairn@nationalgrid.com).

Thank you for your assistance and cooperation.

Sincerely,

Melissa R. Nairn, Manager  
New York Gas Pricing

CC: Ronald Calkins, DPS Staff  
Carol Gnacik, Office of Administration – Finance & Budget Section  
JoAnn Dollar, Office of Administration – Finance & Budget Section  
Active Parties (via DMM)