

Consumer Power Advocates

Columbia University Medical Center
Fordham University
Memorial Sloan Kettering Cancer Center
The College of New Rochelle

Mount Sinai Health System
New York Presbyterian Hospital
New York University
NYU Langone Medical Center

Filed electronically via DMM

September 16, 2016

Honorable Kathleen Burgess
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350s

RE: Cases 16-G-0058, 16-G-0059- National Grid gas rates

Dear Secretary Burgess:

Consumer Power Advocates (CPA) is an alliance of large not-for-profit institutions in the greater New York region. Our membership is open to hospitals, universities, medical schools, and cultural institutions. CPA members include some of the largest employers and energy users in New York State. According to Crain's New York Business, four of CPA's current member hospitals are among the 25 largest hospitals in New York, all of which are also among the five largest hospital systems. In addition, two CPA member hospitals are among New York's five largest employers.

Below is a list of our current members:

- New York Presbyterian Hospital
- Columbia University Medical Center
- Fordham University
- The College of New Rochelle
- Memorial Sloan-Kettering Cancer Center
- Mount Sinai Health System
- New York University
- NYU Langone Medical Center

CPA is an active party and a signatory to the Joint Proposal (JP) filed September 9, 2016 in the above captioned cases. We offer this statement in support of the JP to set KEDNY and KEDLI (the Companies) gas rates for the three year period ending December 31, 2016.

STATEMENT IN SUPPORT OF THE JOINT PROPOSAL

CPA believes that the JP is in the best interests of its members, and superior to our expectation of the result of any settlement of these cases.

The extended term of the recommended rate plan is particularly important in these cases because it allows the bill impact of this undeniably large revenue requirement increase to be levelized over three years. Moreover, the rate certainty provided by the rate plan is an important consideration for our members, who must develop energy budgets well in advance of their fiscal years.

Of the greatest importance to our members is the recommended revenue allocation and rate design, including the treatment of interruptible service and gas for use in distributed generators (DG). Revenue allocation in this case follows well established cost-of-service principles with appropriate consideration of bill impacts on low and middle income customers. The JP recognizes the reduced value of interruptible service relative to firm service, and recommends stable rates for DG use. CPA believes that excessively costly gas delivery service presents an unnecessary barrier to the development of DG resources. These resources are an essential component of resilient electric microgrids. Thus, the revenue allocation and rate design support the Commission's Reforming the Energy Vision (REV) initiative.

The JP also recommends environmental and gas safety program improvements. It expands current gas safety programs and provides for a number of new initiatives, including improved public outreach and education on gas safety, enhanced first responder training, a residential methane detection pilot, a gas meter relocation pilot program, and a new damage prevention advisory program. The JP provides additional funding and commits the Companies to increased replacement of leak prone pipe (LPP) based on an improved method of prioritizing removals, and allows for recovery of costs of incremental LPP removal beyond the mileage reflected in rates, and provides for incentives for improved leak management; damage prevention; emergency response; and gas safety regulations performance. The JP further provides necessary funding for Site Investigation and Remediation (SIR) costs. CPA supports these provisions in the interest of environmental justice as well as public health and safety.

The JP also recommends three REV demonstration projects in these areas:

- Flood zone protection packages
- Micro combined heat and power – home energy management solutions
- Commercial demand response

Together, these represent important steps towards the achievement of REV goals.

For all the above reasons, Consumer Power Advocates urges the Commission to accept the Joint Proposal in its entirety.

Respectfully submitted,

Catherine M. Luthin

Executive Director
Consumer Power Advocates

cc: All Parties via DMM