



Department  
of Public Service

# **KEDNY CapEx Petition**

**Case 12-G-0544**

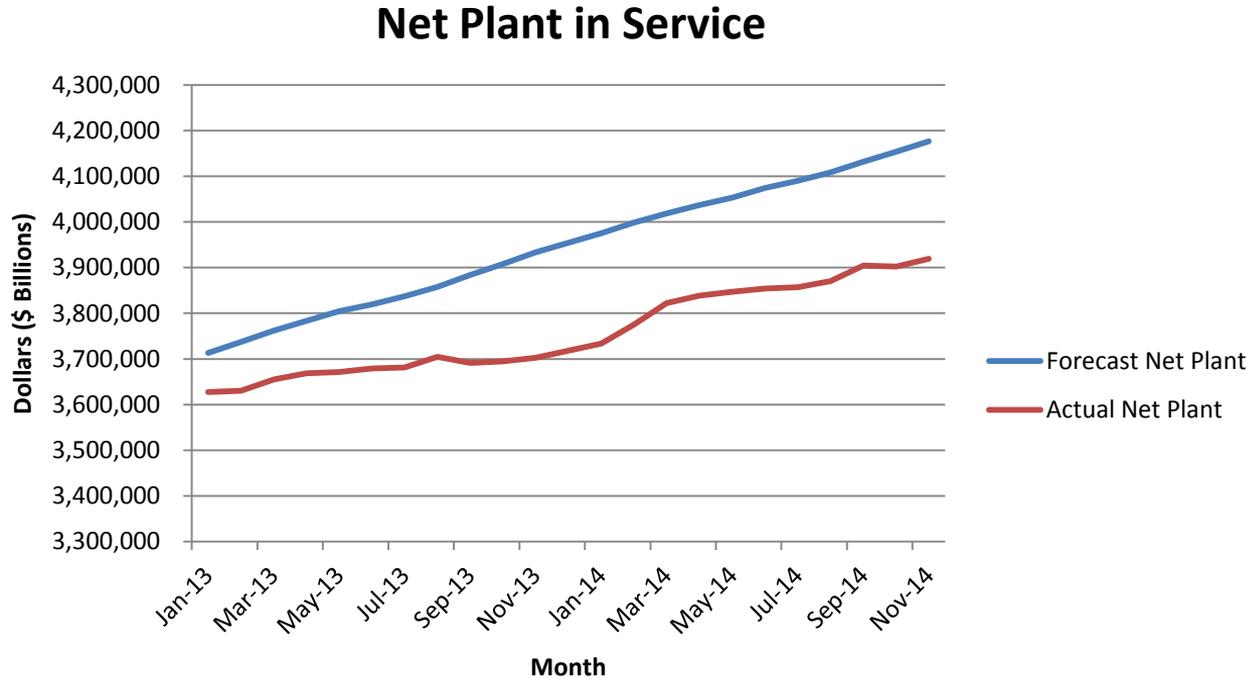
# Introduction

- The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY) is requesting modification of its Capital Reconciliation Mechanism
- Facilitate KEDNY's plan to invest \$896 million in its distribution system in 2015 and 2016
- Staff recommends approval with modifications

# KEDNY's Proposal

- Current Mechanism
  - Cumulative 2 year reconciliation for the period January 1, 2013 through December 31, 2014
- Proposed Mechanism
  - Cumulative 4 year reconciliation for the period January 1, 2013 through December 31, 2016

# Background



# KEDNY's Proposal

- Use \$58M deferred credit balance to offset the revenue requirement associated with the forecast capital expenditures for 2015 and 2016

# Proposed Leak Prone Pipe Removal

- 2015 = 40 miles
  - 48 years to replace LPP
- 2016 = 47 miles
  - 40 years to replace LPP

# Staff's Recommendation

- Staff recommends approval of Petition with the following modifications:
- \$22 million downward adjustment to proposed budget
- One project should be accelerated due to safety and reliability impacts