

STATE OF NEW YORK

# Public Service Commission

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11098/08-M-1445;09-M-0818

## **GRID RATEPAYERS SHARE \$24.5M TAX REFUND**

— National Grid's Downstate Ratepayers Benefit from Property Tax Refund —

Albany, NY—11/17/11—The New York State Public Service Commission (Commission) approved a Joint Proposal entered into between staff of the Department of Public Service and Brooklyn Union Gas company d/b/a/ National Grid NY resolving the disposition of property tax refunds and credits obtained by the company related to the period from 1996-2010.

The Commission noted that the Joint Proposal represents a reasonable resolution to the sharing of the real property tax and special franchise tax refunds received by National Grid NY, and that customers clearly benefited from having the company aggressively challenge property tax assessments.

In total, the Joint Proposal addresses nearly \$35.1 million of New York City tax refunds and credits. The company will be allowed to recover approximately \$1.3 million related to costs to obtain the refunds and credits. The ratepayer and company property tax refund and credit sharing methodology is guided by the terms of various applicable rate plans resulting in the company retaining slightly less than \$9.3 million of the net refunds, while customers will receive approximately \$24.5 million.

The ratepayers' share of the bulk of their refund or \$22.6 million, excluding the sharing related to credits, will be credited to the company's gas balancing account and will accrue interest as of the date of the refund. The deferred credit will be available to use in a subsequent proceeding to offset deferred debits the company may have on its books. The \$1.9 million related to the tax

offset credit will be shared as part of the mechanism in the company's current rate case—the amounts lower the tax expense during the subsequent years, resulting in 90 percent customer share in the lower amount.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.state.ny.us](http://www.dps.state.ny.us) and entering Cases 08-M-1445 and 09-M-0818 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14<sup>th</sup> floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).