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Audrey Zibelman, Chair

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Long Island Businesses Will Receive Refunds for \$3.3 Million Billing Error by KeySpan Gas East

— 3,600 Businesses Will Receive an Average Refund of \$916 Following Public Service Commission Investigation —

ALBANY — The New York State Public Service Commission (Commission) today announced that 3,600 non-residential customers of National Grid’s KeySpan Gas East on Long Island will receive approximately \$3.3 million in refunds as a result of being erroneously charged a more-expensive rate for natural gas service.

“Our investigation found thousands of Long Island businesses have been misclassified as heating customers, resulting in higher rates for their natural gas service,” said Commission Chair Audrey Zibelman. “We are directing KeySpan Gas East to pay these refunds, with interest, with each business receiving, on average, \$916.”

After reviewing the billing records of more than 57,000 commercial accounts on Long Island, the PSC uncovered errors dating back to 2008. Restaurants, retail stores and other businesses were wrongly charged the gas delivery rate normally billed to businesses that use natural gas as their primary source of heat. The PSC found that roughly six percent of KeySpan Gas East’s business customers were overcharged.

The PSC is also reviewing the bills paid by 50,000 commercial customers of Brooklyn Union Gas, the National Grid subsidiary that serves 1.21 million residential and non-residential customers in Brooklyn, Queens and Staten Island.

“Because these overcharges can be difficult to recognize, the Public Service Commission is examining the bills paid by thousands of other commercial customers,” Zibelman said. “Ensuring customers are correctly billed for services is a fundamental utility responsibility, and ensuring customers are protected from being overbilled is a fundamental responsibility of the State of New York. We listened to the complaints filed with our Consumer Services Unit and we are pleased the utility will be returning more than \$3 million to businesses on Long Island.”

Key Span Gas East -- National Grid’s Long Island operation serving 558,000 residential and commercial gas customers in Suffolk and Nassau counties and the Rockaways — will notify affected customers about the refund process shortly.

Bill complaints that are not resolved by a utility can be forwarded to the PSC’s Consumer Services Unit at www.dps.ny.gov or 800-342-3377.