

STATE OF NEW YORK

# Public Service Commission

Audrey Zibelman, Chair

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn

James.denn@dps.ny.gov | 518.474.7080

<http://www.dps.ny.gov>

<http://twitter.com/NYSDPS>

14067/14-G-0091

## **PSC REQUIRES DOWNSTATE UTILITIES TO REFUND CUSTOMERS**

— Utilities Potentially Overbilled Non-Residential Natural Gas Customers —

Albany, NY – 10/23/14 – The New York State Public Service Commission (Commission) announced it will require National Grid subsidiaries Brooklyn Union Gas and KeySpan Gas East to re-bill, and if necessary, provide a refund all non-residential gas customers on Service Classification (SC) No. 2 that might have been erroneously charged a more expensive heating rate, or to submit a plan to identify, re-bill and provide refunds to those customers.

“Ensuring that customers are correctly billed for services provided is a fundamental utility responsibility, and protecting customers is a fundamental Commission responsibility,” said Commission Chair Audrey Zibelman. “Nothing is more important to this Commission than to ensure just and reasonable rates for all consumers.”

After a thorough analysis of individual customer complaints, the Commission has determined that the companies, beginning in March 2008, had improperly assigned their SC No. 2 customers, typically commercial gas customers ranging from small pizza shops to large box stores, either a more expensive heating rate or less expensive non-heating rate. National Grid estimated that 50,000 Brooklyn Union Gas accounts and 57,000 KeySpan East accounts will potentially have to be reviewed dating back to 2008.

In its determination, the Commission concluded that the utilities failed to properly determine whether to assign an SC No. 2 customer to the more expensive heating or less expensive non-

heating rate of that service classification. The Commission determined that the utilities should not have taken degree day or weather normalization information into account with regard to calculating either month's usage.

As a result of the Commission's order today, the companies must make necessary refunds to qualifying complainants, with interest, for one or more 12-month periods during which some of complainants' accounts would have qualified for the less expensive rate had the rate assignment test been done without use of degree day/weather. If the companies can prove that the review of each account is unduly costly and time-consuming, they may submit a fair and cost-effective plan to identify, re-bill and provide refunds with interest to customers most likely to have been affected. The actual number and dollar amount to be refunded to eligible customers will be determined as part of the review process.

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.ny.gov](http://www.dps.ny.gov) and entering Case Numbers 14-G-0091 [In the Matter of the Acts and Practices of The Brooklyn Union Gas Company d/b/a National Grid NY and Keyspan Gas East Corporation d/b/a/ National Grid Regarding Billing of Each Company's SC No. 2 Customers from March 2008 to March 2014] 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, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.