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

Net Plant in Service

Month

Dollars ($ Billions)

Forecast Net Plant

Actual Net Plant
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