

***23-G-0225/23-G-0226***

***KEDNY/KEDLI – RATES***

***August 15, 2024***

***Commission Session***

# ***TERM AND EFFECTIVE DATES***

- ***Three-year rate plans running from April 1, 2024 through March 31, 2027***
- ***Rates effective September 1, 2024, subject to “make whole” dollars, retroactive to April 1, 2024***

# ***CHRONOLOGY OF KEDNY/KEDLI REVENUE REQUIREMENT AND ROE***

***April 28, 2023 Tariff Filing:***

***KEDNY: \$414 million revenue increase***

***KEDLI: \$228 million revenue increase***

***June 30, 2023 Corrections/Updates***

***KEDNY: \$450 million***

***KEDLI: \$272 million***

***September 22, 2023 Rebuttal Testimony***

***KEDNY: \$504.3 million***

***KEDLI: \$314.3 million***

***ROE: 10.3% (For Multi-Year Rate Plans)***

# ***STAFF ADJUSTMENTS AND RECOMMENDATIONS***

***Before Companies' Rebuttal Revenue Requirement Increases***

***KEDNY: \$390 million***

***KEDLI: \$220 million***

***ROE: 9.1% (1 Year Rate Plan)***

# ***JOINT PROPOSAL REVENUE REQUIREMENT AND ROE***

## **KEDNY:**

***Levelized - RY 1 \$256.9 million***

***RY2 \$287.5 million***

***RY3 \$320.1 million***

***ROE: 9.35%***

# ***JOINT PROPOSAL REVENUE REQUIREMENT***

## **KEDLI**

***Levelized - RY1 \$147.1 million***  
***RY2 \$163.1 million***  
***RY3 \$180.4 million***

***ROE: 9.35%***

# ***RATE DRIVERS***

- ***Net plant and depreciation expense***
- ***Operations and maintenance (O&M) expenses***
- ***Overall rate of return***
- ***Property taxes***
- ***Amortization of regulatory deferrals***
- ***Long-term debt (KEDLI Only)***

***Partial offsets for higher gas sales forecasts***

# ***KEDNY/KEDLI BILL IMPACTS***

***Estimated monthly bill impacts, residential customer using 83 dekatherms:***

## **KEDNY**

- RY1: \$30.18 (19.36% increase, includes make whole)***
- RY2: \$9.61 (5% increase)***
- RY3: \$ 22.09 (11.13% increase)***

## **KEDLI**

- RY1: \$33.35 (22.29% increase, includes make whole)***
- RY2: \$8.19 (4.39% increase)***
- RY3: \$18.81 (9.7% increase)***

# ***CAPITAL EXPENDITURE BUDGETS***

## **KEDNY**

- ***FY 2024 \$833.29 million***
- ***FY 2025 \$924.02 million***
- ***FY 2026 \$960.04 million***
- ***FY 2027 \$971.14 million***

## **KEDLI**

- ***FY 2024 \$511.41 million***
- ***FY 2025 \$645.69 million***
- ***FY 2026 \$705.26 million***
- ***FY 2027 \$729.32 million***

# ***GAS SAFETY PERFORMANCE METRICS***

## **Categories:**

***Leak Prone Pipe Removal/Replacement/Abandonment (KEDNY: 152 Miles; KEDLI: 379 Miles)***

***Leak Backlog Management***

***Damage Prevention***

***Emergency Response Time***

***Gas Safety Regulatory Compliance***

***Negative (up to 150 Basis Points) and Positive (up to 16 Basis Points) Revenue Adjustments***

# ***ESTIMATED EMISSION REDUCTIONS***

- ***KEDNY Total Estimated Reductions: 880,341 metric tons of CO<sub>2</sub> equivalent over the three-year rate plan;***
- ***KEDLI Total Estimated Reductions: 787,838 metric ton CO<sub>2</sub> equivalent reduction over the three-year rate plan;***

# ***CLCPA-RELATED PROVISIONS AND FINDINGS***

- ***NPA Process Improvements and Reporting***
- ***LPP Prioritization***
- ***Energy Efficiency***
- ***CLCPA Report and DAC Analysis Report; Stakeholder Engagement***
- ***Economic Development in DACs (e.g., job training, business retention)***
- ***Demand/Response***
- ***Cessation of Gas Marketing***
- ***RNG Interconnections***
- ***Utility Thermal Energy Network Participation and Implementation***

# ***OTHER PROGRAMS APPROVED***

- ***Energy Affordability Program Enrollment and Funding***
- ***Customer Initiatives (e.g., weather-related protections, outreach and education reporting, domestic violence policy/procedure, language access, customer service, deferred payment procedures)***
- ***Customer Service Performance Indicators (e.g., complaint rates, call response times, customer satisfaction surveys, percent of adjusted bills)***

***QUESTIONS?***