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KEYSPAN GAS EAST CORPORATION D/B/A BROOKLYN UNION OF L.I.
175 East Old Country Road
Hicksville, NY 11801

July 30, 1999

Honorable Debra Renner
Acting Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

*Re: Long Island Lighting Company and The Brooklyn
Union Gas Company - Case 97-M-0567*

Dear Acting Secretary Renner:

Enclosed for filing with the Commission is one copy each of the following tariff leaves issued by KeySpan Gas East Corporation d/b/a Brooklyn Union of Long Island ("Brooklyn Union of Long Island" or the "Company") on August 1, 1999, to become effective on December 1, 1999. This filing is being transmitted electronically.

First Revised Leaf No. 7	Second Revised Leaf No. 141
First Revised Leaf No. 134	Second Revised Leaf No. 142
Second Revised Leaf No. 135	Second Revised Leaf No. 143
Second Revised Leaf No. 136	First Revised Leaf No. 143.1
Second Revised Leaf No. 137	Original Leaf No. 206
Second Revised Leaf No. 138	Original Leaf No. 207
Second Revised Leaf No. 139	Original Leaf No. 208
Second Revised Leaf No. 140	Original Leaf No. 209
to Schedule for Gas Service, P.S.C. No. 1-GAS	

These leaves are being filed in compliance with the Commission's Opinion No. 98-9 issued April 14, 1998 in the above-referenced proceeding. The enclosed tariff leaves reflect rate design changes creating additional segmentation of one existing service classification as expressly contemplated by the Settlement Agreement approved by the Commission in Opinion 98-9.

The substantive changes in these leaves are as follows:

The creation of Service Classification Nos.15 (High Load Factor Service) and 16 (Year

Round Space Conditioning Service) available to non-residential customers. Proposed Service Classification 15 (SC15) would be available to commercial customers who desire firm sales or transportation services and use gas to generate mechanical and electrical power on-site using reciprocating engines, gas turbines and emerging gas technologies, including cogenerators of less than 50 MW. Proposed Service Classification 16 (SC16) would be available to commercial consumers whose use of gas for heating and cooling in common of the consumer's premises or portion thereof and require firm sales or transportation services rather than interruptible or temperature-controlled service. Customers on these services would be provided firm service. These service classes will provide the Company with an additional marketing tool needed to attract commercial/industrial customers who find value in this level of firm service. Neither of the proposed services will result in a degradation of customer service quality in general nor impair the level of service to those customers who do not receive these services.

Specifically, Service Classification 15, reflected in Tariff leaves 206 and 207, includes the following features:

- a) Eligibility requirement limited to non-residential customers who use gas to operate on-site generation equipment used for mechanical and electrical power applications employing reciprocating engines, gas turbines and emerging gas technologies.
- b) Monthly minimum charge of \$154 per month for the first 10 therms or less.
- c) Rate of \$0.130 per therm for all usage over 10 therms per month.
- d) The customer would receive firm sales or transportation services.
- e) In the Company's sole discretion, the Company will not have to install unreasonable or uneconomic extension of facilities to provide service.

The purpose of this proposal is to provide a viable alternative for potential cogen customers interested in firm service such as those who may have diesel emissions constraints or who may not have dual fuel capability.

Service Classification 16, reflected in Tariff leaves 208 and 209, includes the following features:

- a) Eligibility requirement limited to non-residential customers who use gas for heating and cooling in common of the consumer's premises or portion thereof.
- b) Monthly minimum charge of \$20 per month for the first 3 therms or less.
- c) Rate block of \$0.345 per therm for the next 497 therms per month and a second rate block of \$0.295 per therm for all usage over 500 therms per month.
- d) A minimum revenue of not less than \$200 plus the applicable gas adjustment and taxes is required during the cooling season, (May 1st to October 31st, both inclusive).
- e) The customer would receive firm sales or transportation services.
- f) In the Company's sole discretion, the Company will not have to install unreasonable or uneconomic extension of facilities to provide service.

The purpose of this proposal is to create an additional segment within the same commercial and industrial service class (SC2) comprising the year-round commercial customers and to promote the addition of firm gas cooling to these customers by offering a reduction in the transportation rate year-round.

In addition, the Company seeks to postpone for one year its right to increase minimum charge rates. In Opinion No. 98-9, the Commission "permit[ted] LILCO to move each LILCO Core Service class closer to a system average return, on December 1, 1999" by increasing the minimum charge rate to all classes and lowering the block rates of the core classes other than SC 1A and 1B by an offsetting amount. Id., Appendix A at 75. Because the Company will be filing its restructuring proposal in the near future, it feels it may be confusing to customers and counter-productive to implement this interclass revenue reallocation at this time. However, the Company does not wish to waive the opportunity to make those changes. Therefore, it requests that it be permitted to delay the minimum charge increases approved in Opinion No. 98-9 by one year; that it be allowed to file for such changes on August 1, 2000 in order to implement them on December 1, 2000.

Copies of this transmittal letter and the enclosures are being served this day by regular mail on all parties and by Federal Express on Administrative Law Judge Rafael Epstein and Staff Counsel Paul Agresta. Also transmitted herewith is a form of notice under the State Administrative Procedure Act related to this filing.

If you have any questions concerning this filing, please contact Mark Marra at (718) 403-3046.

Respectfully submitted,

KeySpan Gas East Corporation d/b/a
Brooklyn Union of Long Island

Enclosures

cc: (w/encls.): Honorable Rafael Epstein
Administrative Law Judge

Paul Agresta, Esq.
Staff Counsel

All Parties

