

..DID: 12098

..TXT:

THE BROOKLYN UNION GAS COMPANY
d/b/a KEYSPAN ENERGY DELIVERY NEW YORK
One MetroTech Center
Brooklyn, New York 11201

June 1, 2000

***Via Electronic Transmission
and Federal Express***

Honorable Janet Hand Deixler
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Brooklyn Union Gas Co. d/b/a KeySpan Energy Delivery New York - Case 95-G-0761

Dear Secretary Deixler:

Enclosed for filing with the Commission is one copy each of the revised tariff leaves listed in Appendix "A" hereto, issued by The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York (KeySpan, Company)¹ on June 1, 2000, to become effective on October 1, 2000. This filing is being transmitted electronically. Five (5) copies of the associated workpapers (contained in Appendices A - F) are being sent via Federal Express dispatch this day.

These leaves are being filed in compliance with the Commission's Opinion No. 96-12 issued September 25, 1996 in the above case (Opinion 96-26).² The enclosed leaves reflect tariff revisions

¹ Effective May 1, 2000, KeySpan Corporation adopted the KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island names for its local distribution companies serving New York and Long Island.

Brooklyn Union Gas Co., Case 95-G-0761, Opin. No. 96-26 (Sept. 25, 1996). By Opinion 96-26, the Commission approved the "Stipulation and Agreement Resolving Corporate Structure Issues and Establishing Multi-Year Rate Plan" (Holding Company Agreement) among Brooklyn Union, the Staff of the Department of Public Service (Staff), the State Consumer Protection Board and the City of New York (collectively, "Signatory Parties"). The Holding Company Agreement, *inter alia*, permits Brooklyn Union to file new tariff leaves issued on June 1, 1997 (and each June 1 thereafter through June 1, 2001) (referred to as the June 1 Filing(s)). Holding Company
(continued...)

Hon. Janet H. Deixler

- 2 -

June 1, 2000

expressly contemplated by the Holding Company Agreement.

KeySpan is proposing the introduction of certain tariff fees as contemplated by Section V.C.9 of the Holding Company Agreement,³ which permits the Company "to impose or adjust fees on a tariffed basis for various services either now performed for 'free,' or for which there already is a tariff charge." In accordance with the Holding Company Agreement, these proposed charges, as reflected in the attached workpapers, are new fees, reflect services currently performed for free, are "cost-based" and, therefore, should be deemed *prima facie* just and reasonable and permitted to take effect without suspension or postponement. The amount of each proposed fee is exclusive of applicable taxes. No customer would be subject to late payment charges or termination of gas distribution service for failure to pay these charges.

The Company is proposing a nominal increase in the minimum charges applicable to SC Nos. 1A, 1B, 2, 3, 4A, 4B, 16 and 17 to recover the additional revenue deficiency caused by the increase in the number of eligible customers under KeySpan's low-income rates.

None 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, the amended tariff leaves transmitted herewith reflect the following changes:

1. Effective October 1, 2000, KeySpan proposes to implement a \$1.48 transaction charge each time residential and non-residential customers elect the option of paying their utility bills by telephone instruction. Under this telephone payment option, customers provide the Company their bank account and bank nine digit routing number rather than mailing payment or presenting payment in person at one of the

(...continued)

Agreement at 8. On May 29, 1998, with the consummation of the business combination between Brooklyn Union and MarketSpan Corporation (comprising those components of the Long Island Lighting Company (LILCO) not sold to the Long Island Power Authority), the "Stipulation and Agreement" among Brooklyn Union, LILCO, Staff, and several other parties, approved by the Commission in its Opinion 98-9 issued April 14, 1998 in Case 97-M-0567 (Combination Agreement), supersedes portions of the Holding Company Agreement. Those portions of the Holding Company Agreement not superseded are contained in Appendix A to the Combination Agreement. The provisions authorizing the June 1 Filings were not superseded and are contained in that Appendix. All references to the Holding Company Agreement will be cited herein as "Holding Company Agreement, Appendix A at ____."

³ Holding Company Agreement, Appendix A at 18.

Hon. Janet H. Deixler

- 3 -

June 1, 2000

Company's customer service offices.⁴ This option allows customers to avoid the need to (a) complete and mail checks or (b) visit a customer service office to pay utility bills. The convenience of this additional payment method reduces the likelihood that customers will be required to pay late payments fees or have their gas service terminated for non-payment. In its Order on Review of Rate Plan Filing, issued in this proceeding on October 28, 1999, the Commission declined to approve a similar proposal to charge for this option. Presiding Administrative Law Judge Robert R. Garlin issued a Procedural Ruling on November 2, 1999, setting forth the format and other requirements for resubmitting this proposal. Appendix B attached hereto complies with those requirements. As set forth in the attached workpapers and affidavit of Robert F. Hyte (Appendix C), the proposed telephone payment transaction charge is cost-based. This proposed charge is set forth on Fourth Revised Leaf No. 40.

2. KeySpan proposes to impose a fee of \$14.38 for unproductive field visit appointments. The fee would be imposed when the customer has made a future appointment for non-safety related service and the Company has appeared at the appointed time, but is unable to provide the service requested because of the customer's culpability. For example, the fee would be imposed when the customer does not appear at the appointed time, or is unprepared or unable to provide access to the facilities necessary for the Company to complete the service requested. The fee would not be applicable to appointments made under the Company's Premium Service Program. The Company will advise customers of this potential fee in the course of making the future day non-safety related service appointment and while describing the existing Service Guarantee program. The Company guarantees to keep all appointments made at the customer's request as well as special appointments the Company makes with the customer. If the Company does not keep an appointment within the timeframe agreed upon, a refund will be credited to the customer's next bill. The refund will be \$27.70 for residential customers and \$55.57 for non-residential customers.

Service guarantees do not apply to appointments made for the same day the customer requests service or if events beyond the Company's control, such as severe weather, prevent the Company from performing as planned. This initiative will hold the customer responsible for the cost of the unproductive non-safety related service appointment. It is a compliment to the Company's Service Guarantee program, as it gives incentive to the customer to keep the agreed upon appointment.

⁴ More specifically, customers electing this payment option will have their payment initiated via an Automated Clearinghouse (ACH) transaction. An ACH transaction is an electronic debit from a customer's account at a financial institution designated by the customer, as authorized by an agreement between the customer and KeySpan.

Hon. Janet H. Deixler

- 4 -

June 1, 2000

For the sake of administrative efficiency, the Company proposes that the Commission approve this fee in its order addressing this filing. However, the Company plans to implement this fee in the first quarter of 2001. That time is required to complete the computer programming necessary for implementation. The Company will notify the Commission of the specific implementation date prior to that date. As demonstrated in the attached workpapers (Appendix D), this charge is cost based. The proposed charge is reflected on the Draft Revised Leaf No. 35 (Appendix E).

3. Effective October 1, 2000, KeySpan proposes to increase the minimum charge applicable to S.C. Nos. 1A, 1B, 2, 3, 4A, 4B, 16 and 17 to recover the additional revenue deficiency caused by the increase in the number of eligible customers under the Company's low-income rates (S.C. Nos. 1AR and 1BR) from 37,000 to 42,000 customers, as provided for in Section V.D.b.c. of the Combination Agreement. Because the impact on affected customers in these classes is nominal (2-4 cents per bill), KeySpan requests a waiver of the Commission's regulations which require a bill impact study and a comparison of present and proposed rates. These proposed changes are embodied on Fourth Revised Leaf Nos. 140, 144, 152, 153, 159, 160, 163, 164, 167, 168, 171, 172, 301, 302, 303, 339 and 340, and Sixth Revised Leaf No. 341. The associated workpapers are contained in Appendix F.
4. KeySpan proposes to amend its Transition Cost Surcharge annual recovery period. Currently that period begins on October 1st. However, that period is inconsistent with the Company's GAC annual reconciliation period that begins on December 1st. This amendment is a timing change only and will result in no financial consequences to ratepayers. These proposed changes are embodied on Second Revised Leaf Nos. 87 and 88.

Copies of this transmittal letter and the enclosures are being served this day by either hand delivery or U.S. mail on all parties entering an appearance, as reflected in the appearance list contained in Opinion 96-26, and Federal Express dispatch on Administrative Law Judge Garlin and Judith Chomycz, Tariff Administrator - Electric Division. As provided in subsection VI.B.3.c of the Holding Company Agreement, this letter also provides notice that a technical conference of the parties regarding the filing will be held on June 30, 2000, beginning at 10:30 a.m. at the Commission's Downstate Offices at One Penn Plaza in New York City. Please confirm your attendance no later than June 15th by calling Dawn Herrity at (718) 403-2975.

Hon. Janet H. Deixler

- 5 -

June 1, 2000

In addition, please update the service list by changing the entry for the Company to read as follows:

Steven L. Zelkowitz
M. Margaret Fabic
Richard A. Visconti
KeySpan Energy
One MetroTech Center
Brooklyn, New York 11201

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 Nancy Cianflone at (718) 403-2505.

Respectfully submitted,

The Brooklyn Union Gas Company
d/b/a KeySpan Energy Delivery New York

Encls.

cc(w/encls.): Hon. Robert Garlin
Administrative Law Judge

Saul A. Rigberg, Esq.
Staff Counsel

All Parties