

..DID: 9741

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

August 31, 1999

Ms. Debra Renner
Acting Secretary
Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case No. 99-G-0878 - Petitions by The Brooklyn Union Gas Company and KeySpan Gas East Corporation for Waivers from the Commission's Requirement that Marketers serving Firm Loads Demonstrate that they Have Firm, Non-Recallable, Primary Delivery Point Capacity to the Citygate for the Winter Season

Case No. 97-G-1380 - In the Matter of Issues Associated with the Future of the Natural Gas Industry and the Role of Local Gas Distribution Companies

Dear Acting Secretary Renner:

Attached for filing electronically with the Commission are the following tariff leaves, issued by KeySpan Gas East Corporation D/B/A Brooklyn Union of Long Island ("the Company"), to become effective on September 1, 1999:

Second Revised Leaf No. 161
First Revised Leaf No. 161.1
First Revised Leaf No. 161.2
First Revised Leaf No. 161.3
Original Leaf No. 161.4

to Schedule for Gas Service, P.S.C. No. 1-GAS.

This filing is being made in compliance with the Commission's Orders in the above referenced cases. The purpose of this filing is to incorporate the following revisions to the Company's Standby Gas Service included under Service Classification No. 8 - Seller Service as follows:

1. Eliminate all Standby Gas Service rates and charges paid directly by customers who are

members of a Seller's Aggregated Pool;

2. Impose a Standby Gas Service requirement on all Direct Purchase Core Customers and all Sellers who serve core customers mandating that they elect one of the following options each October 15th:

Option 1 - Company Provided Standby Gas Service

The Direct Purchase Core Customer and/or Seller agrees to pay the Company's Standby Gas Service rates and charges. The Demand Charge associated with this option is equal to \$0.43/dth multiplied by the Direct Purchase Core Customer's and/or Sellers' Daily Delivery Quantities from November 1st through March 31, both inclusive. The resulting aggregate demand charge shall be divided by 5 and be payable on the first of each winter month, beginning with November 1st. The Company shall provided the Direct Purchase Core Customer and/or Seller with the monthly demand charge prior to October 15th of each year.

Option 2 - Direct Purchase Core Customer and/or Seller Demonstration of Primary Receipt Point Capacity and/or Primary Receipt Point fully bundled delivery of Natural gas from November 1st through March 31st, both inclusive.

The Direct Purchase Core Customer and/or Seller elects to provide the Company with adequate proof that for each winter month, (November 1st through March 31st, both inclusive), that he has procured adequate primary receipt capacity and/or primary receipt point fully bundled gas service to the Company's citygate in quantities sufficient to meet the Direct Purchase Core Customer's and/or Seller's firm daily delivery obligations. Such demonstration must be made on at least a monthly basis, no later than the close of business on the first day of the NYMEX close for the upcoming month. Anyone electing this option who fails during any winter month to provide adequate proof as required shall be required to pay the fully Standby Gas Service Demand charges which would have otherwise been applicable plus 10%, as well as the variable cost of standby gas service.

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

Respectfully submitted,

KEYSPAN GAS EAST CORP.
D/B/A BROOKLYN UNION OF L.I.

By: _____

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