



One MetroTech Center
Brooklyn, New York 11201

December 29, 2008

Honorable Jaclyn A. Brillling
Secretary
State of New York
Public Service Commission
Three Empire Plaza
Albany, New York 12223

**RE: CASE 06-G-1185 – Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a
KeySpan Energy Delivery New York – Implementation Of Rate Year 2 Rates**

Dear Secretary Brillling:

In accordance with the Public Service Commission of the State of New York's ("Commission") "Order Adopting Gas Rate Plans For KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island" dated December 21, 2007 ("December 21 Order") and other applicable Rules and Regulations, The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York ("KEDNY") hereby submits one copy of the revised tariff leaves listed in Appendix A hereby issued by KEDNY to its Schedule for Gas Service, PSC No. 12 on December 29, 2008 to become effective on a temporary basis on January 1, 2009. The purpose of the filing is to implement the Rate Year 2 rates contained in Appendix C and D of the Company's Gas Rates Joint Proposal dated October 10, 2007 ("JP-4").

The Company is also filing updated Delivery Rate Surcharges to reflect the recovery of an addition \$5 million as directed in the December 21 Order. A workpaper illustrating the allocation of the surcharge to the service classifications is attached on Appendix B.

Secretary Brilling
Page 2

December 29, 2008

KEDNY requests that the Commission approve this compliance filing as soon as possible. To the extent that any waivers of the Commission's regulations are necessary to allow such approval, KEDNY requests that they be granted. Copies of this filing are being served electronically on all active parties to this proceeding.

Please contact the undersigned if you have questions or require further information.

Yours truly,

Catherine L. Nesser

Enclosures

cc: Active Parties – Case 06-G-1185

APPENDIX A

Fourth Revised Leaf No. 138.50
Twelfth Revised Leaf No. 140
Twelfth Revised Leaf No. 144
Seventh Revised Leaf No. 148
Eleventh Revised Leaf No. 152
Twelfth Revised Leaf No. 153
Seventh Revised Leaf No. 156
Twelfth Revised Leaf No. 159
Twelfth Revised Leaf No. 160
Eleventh Revised Leaf No. 163
Tenth Revised Leaf No. 164
Tenth Revised Leaf No. 171
Tenth Revised Leaf No. 172
Sixth Revised Leaf No. 229
Thirteenth Revised Leaf No. 339
Twelfth Revised Leaf No. 340
Nineteenth Revised Leaf No. 341

KEDNY Surcharge Years 2008 to 2012**Appendix B**

YR1 Firm Service Class Percentage Contribution to Firm Delivery Revenue		KEDNY Surcharge \$				
		2008	2009	2010	2011	2012
SC 1A	20.29%	\$1,014,341	\$2,028,681	\$3,043,022	\$4,057,363	\$5,071,703
SC 1B	57.96%	\$2,898,154	\$5,796,308	\$8,694,462	\$11,592,616	\$14,490,770
SC 2-1	6.38%	\$318,852	\$637,703	\$956,555	\$1,275,406	\$1,594,258
SC 2-2	6.08%	\$304,025	\$608,050	\$912,074	\$1,216,099	\$1,520,124
SC 3	7.55%	\$377,467	\$754,933	\$1,132,400	\$1,509,866	\$1,887,333
SC 4A	0.97%	\$48,290	\$96,579	\$144,869	\$193,158	\$241,448
SC 4B	0.19%	\$9,499	\$18,997	\$28,496	\$37,995	\$47,494
SC 7	0.01%	\$458	\$916	\$1,374	\$1,832	\$2,290
SC 14 NGV	0.58%	\$28,916	\$57,832	\$86,749	\$115,665	\$144,581
Total	100.00%	\$5,000,000	\$10,000,000	\$15,000,000	\$20,000,000	\$25,000,000

KEDNY Calendar Year Volumes					
	2008	2009	2010	2011	2012
SC 1A	6,658,177	6,523,560	6,425,718	6,331,528	6,267,505
SC 1B	69,244,852	69,110,502	69,547,720	69,957,102	70,938,921
SC 2-1	12,332,620	12,794,648	13,306,475	13,820,792	14,394,294
SC 2-2	10,234,165	10,369,564	10,679,445	10,960,986	11,414,632
SC 3	16,721,844	16,982,127	17,331,069	17,686,792	18,128,116
SC 4A	3,671,158	3,822,708	3,987,801	4,153,620	4,335,376
SC 4B	355,681	383,894	413,323	442,817	473,958
SC 7	23,094	23,030	23,030	23,030	23,094
SC 14 NGV	657,486	658,178	660,646	663,114	667,358
Total	119,899,076	120,668,212	122,375,227	124,039,780	126,643,254

KEDNY Surcharge Unitized \$/dth					
	2008	2009	2010	2011	2012
SC 1A	\$0.1523	\$0.3110	\$0.4736	\$0.6408	\$0.8092
SC 1B	\$0.0419	\$0.0839	\$0.1250	\$0.1657	\$0.2043
SC 2-1	\$0.0259	\$0.0498	\$0.0719	\$0.0923	\$0.1108
SC 2-2	\$0.0297	\$0.0586	\$0.0854	\$0.1109	\$0.1332
SC 3	\$0.0226	\$0.0445	\$0.0653	\$0.0854	\$0.1041
SC 4A	\$0.0132	\$0.0253	\$0.0363	\$0.0465	\$0.0557
SC 4B	\$0.0267	\$0.0495	\$0.0689	\$0.0858	\$0.1002
SC 7	\$0.0198	\$0.0398	\$0.0597	\$0.0795	\$0.0991
SC 14 NGV	\$0.0440	\$0.0879	\$0.1313	\$0.1744	\$0.2166
Total	\$0.0417	\$0.0829	\$0.1226	\$0.1612	\$0.1974