



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-1186 – Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of KeySpan Gas East Corporation d/b/a KeySpan
Energy Delivery Long Island – Implementation Of Rate Year 2 Rates and
Implementation of a Delivery Rate Surcharge**

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, KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island ("KEDLI") hereby submits one copy of the revised tariff leaves listed in Appendix A hereby issued by KEDLI to its Schedule for Gas Service, PSC No. 1 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 implementing a "Delivery Rate Surcharge" as required by the December 21 Order. A workpaper illustrating the allocation of the surcharge to the service classifications is attached on Appendix B.

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KEDLI 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, KEDLI 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-1186

APPENDIX A

Fifth Revised Leaf No. 119.50
Sixth Revised Leaf No. 121
Sixth Revised Leaf No. 122
Third Revised Leaf No. 122.2
Third Revised Leaf No. 122.3
Fourth Revised Leaf No. 124
Fourth Revised Leaf No. 125
Fifth Revised Leaf No. 127
Fourth Revised Leaf No. 128
Eleventh Revised Leaf No. 137
Second Revised Leaf No. 137.1
Thirteen Revised Leaf No. 138
Fourth Revised Leaf No. 213

KEDLI Development of Rate Year 2 \$10 Million Surcharge
Based on Firm Service Class Contribution to Total Firm Delivery Revenues
Incorporating Proposed Rate Year 1 Adjustments

Appendix B
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	Rate Year 1 Total Proposed Firm Billed Delivery Revenues (\$000)	Total Rate Year 1 Low Income Discounts (\$000)	Rate Year 1 Total Proposed Firm Billed Delivery Revenues Net Of Low Income (\$000)	Firm Service Class Percentage Contribution to Firm Delivery Revenue	Firm Service Class Allocation of \$10 Million Surcharge	Calendar Year Basis Firm Service Class Rate Year 2 Annual Billed Volumes (dth)	Rate Year 2 Firm Service Class Surcharge (\$ per dth)
SC 1A	\$34,659	-\$270	\$34,389	7.70%	\$770,254	2,644,354	\$0.2913
SC 1B	\$270,187	-\$4,539	\$265,648	59.50%	\$5,950,089	44,475,818	\$0.1338
SC 2A	\$19,179	\$0	\$19,179	4.30%	\$429,585	4,013,003	\$0.1070
SC 2B	\$110,822	\$0	\$110,822	24.82%	\$2,482,241	24,754,891	\$0.1003
SC 3	\$10,344	\$0	\$10,344	2.32%	\$231,688	4,053,958	\$0.0572
SC 15	\$2,278	\$0	\$2,278	0.51%	\$51,023	1,658,938	\$0.0308
SC 16	\$245	\$0	\$245	0.05%	\$5,480	95,194	\$0.0576
SC 17	\$19	\$0	\$19	0.00%	\$419	11,883	\$0.0352
SC 9/10 NGV	\$3,537	\$0	\$3,537	0.79%	\$79,223	705,463	\$0.1123
Total	\$451,269	-\$4,809	\$446,460	100.00%	\$10,000,000	82,413,502	\$0.1213

KEDLI Surcharge Years 2009 to 2012

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YR1 Firm Service Class		KEDLI Surcharge \$				
Percentage Contribution						
to Firm Delivery Revenue		2008	2009	2010	2011	2012
SC 1A	7.70%		\$770,254	\$1,540,507	\$2,310,761	\$3,081,015
SC 1B	59.50%		\$5,950,089	\$11,900,178	\$17,850,266	\$23,800,355
SC 2A	4.30%		\$429,585	\$859,170	\$1,288,755	\$1,718,340
SC 2B	24.82%		\$2,482,241	\$4,964,481	\$7,446,722	\$9,928,963
SC 3	2.32%		\$231,688	\$463,376	\$695,064	\$926,752
SC 15	0.51%		\$51,023	\$102,046	\$153,069	\$204,092
SC 16	0.05%		\$5,480	\$10,959	\$16,439	\$21,919
SC 17	0.00%		\$419	\$837	\$1,256	\$1,674
SC 9/10 NGV	0.79%		\$79,223	\$158,446	\$237,668	\$316,891
Total	100.00%		\$10,000,000	\$20,000,000	\$30,000,000	\$40,000,000

KEDLI Calendar Year Volumes					
	2008	2009	2010	2011	2012
SC 1A		2,644,354	2,627,312	2,611,773	2,607,216
SC 1B		44,475,818	44,663,089	44,846,454	45,540,047
SC 2A		4,013,003	3,952,808	3,893,516	3,855,490
SC 2B		24,754,891	26,042,732	27,285,852	28,724,330
SC 3		4,053,958	4,210,396	4,367,281	4,546,235
SC 15		1,658,938	1,658,938	1,658,938	1,663,483
SC 16		95,194	103,358	111,521	119,882
SC 17		11,883	11,883	11,883	11,915
SC 9/10 NGV		705,463	705,463	705,463	707,396
Total		82,413,502	83,975,979	85,492,681	87,775,994

KEDLI Surcharge Unitized \$/dth					
	2008	2009	2010	2011	2012
SC 1A		\$0.2913	\$0.5863	\$0.8847	\$1.1817
SC 1B		\$0.1338	\$0.2664	\$0.3980	\$0.5226
SC 2A		\$0.1070	\$0.2174	\$0.3310	\$0.4457
SC 2B		\$0.1003	\$0.1906	\$0.2729	\$0.3457
SC 3		\$0.0572	\$0.1101	\$0.1592	\$0.2039
SC 15		\$0.0308	\$0.0615	\$0.0923	\$0.1227
SC 16		\$0.0576	\$0.1060	\$0.1474	\$0.1828
SC 17		\$0.0352	\$0.0704	\$0.1057	\$0.1405
SC 9/10 NGV		\$0.1123	\$0.2246	\$0.3369	\$0.4480
Total		\$0.1213	\$0.2382	\$0.3509	\$0.4557