

THE BROOKLYN UNION GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NY
One MetroTech Center
Brooklyn, NY 11201

August 28, 2008

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

Dear Secretary Brilling:

Pursuant to the provisions of Section 270.55 and 270.57 of Title 18 of the Official Compilation of Codes, Rules and Regulations of the State of New York, we are electronically transmitting the following Statement:

Statement No. 121 "Statement of Cost of Gas and Adjustments" effective **September 01, 2008** which sets forth the amount of adjustment applicable to monthly usage under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1BI, 1B-DG, 2-1, 2-2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 of PSC No. 12-GAS.

The following tiered floor prices will take effect on **September 01, 2008** unless otherwise revised by a supplemental filing to account for major changes in gas prices and supplies, as follows:

\$9.1103/dth for sales to Service Classification Nos. 5A.

\$9.0492/dth for sales to Service Classification Nos. 6C, 6G, and 6M.

The first tier price of **\$9.1103/dth** represents KEDNY's incremental cost of gas to serve S.C. No. 5A plus an allowance for unaccounted for gas.

The second tier price of **\$9.0492/dth** represents KEDNY's firm weighted average cost of gas to serve S.C. No. 6C, 6G and 6M customers plus an allowance for lost-and unaccounted-for-gas and an allocated demand charge.

KEDNY reserves the right to revise the floor price, as may be necessary to reflect significant changes in the components of this calculation. In addition, the Company fully intends to reflect the current floor price on the Statement of Standard Offer Price - S.C. 5A as filed with the Commission.

Confirmation of receipt of this letter is requested by returning a signed copy of this letter in the enclosed self-addressed envelope.

Respectfully Submitted,

By: _____

SK

Enc: