

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

July 18, 2006

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

Dear Secretary Brilling:

Attached for electronic filing with the Commission are the following tariff leaves issued by The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York ("KEDNY") to become effective November 1, 2006:

Sixth Revised Leaf No. 72	Second Revised Leaf No. 352
Tenth Revised Leaf No. 334	Third Revised Leaf No. 402
Original Leaf No. 334.1	Eleventh Revised Leaf No. 403
Tenth Revised Leaf No. 342	Third Revised Leaf No. 406
Ninth Revised Leaf No. 343	Original Leaf No. 406.1
Original Leaf No. 343.1	Original Leaf No. 406.2
Original Leaf No. 343.2	Original Leaf No. 406.3
Original Leaf No. 343.3	Original Leaf No. 406.4
Original Leaf No. 343.4	Original Leaf No. 406.5
Fifth Revised Leaf No. 346	Third Revised Leaf No. 408
Original Leaf No. 346.1	Third Revised Leaf No. 412
Fifth Revised Leaf No. 347	Fourth Revised Leaf No. 413
Second Revised Leaf No. 350	
Second Revised Leaf No. 351	
To Schedule for Gas Service, P.S.C. No. 12-GAS.	

The purpose of this filing is to incorporate in KEDNY's tariff, (1) the Marketer/Direct Customer Capacity program, including the Virtual Storage program, (2) Customer surcharges/credits related to this program, and (3) extend the current merchant function back-out credit.

KEDNY is incorporating in its tariff language the Marketer/Direct Customer Capacity program that is currently described in KEDNY's Gas Transportation Operating Procedure Manual. At the same time, KEDNY is enhancing this program with Virtual Storage whereby a Marketer/Direct Customer may elect to purchase bundled supply from KEDNY in the winter at prices that include summer storage inventory prices.

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As part of the Marketer/Direct Customer Capacity program, KEDNY will effectively release capacity at the Company's weighted average cost of capacity through a surcharge/credit applied to the Transportation Adjustment Clause ("TAC"). This surcharge/credit will reflect any differences between the maximum reservation rate on the pipelines on which capacity is released and the Company's weighted average cost of capacity ("WACOC"). An amount equal to the total TAC surcharge/credit will flow through to KEDNY firm sales customers through the Gas Adjustment Clause ("GAC"). For example, if the maximum reservation rate for the capacity released to Marketers and Direct Customers is less than KEDNY's WACOC, the TAC will be surcharged for such difference. Commensurately, the GAC will be credited for such difference.

Please note KEDNY currently has a merchant function back-out credit of \$.21/Dth that is due to expire on November 1, 2006. KEDNY requests to extend the term of the merchant function back-out credit until it is replaced by an unbundled supply rate proposed in KEDNY's upcoming merger approval proceeding.

If you have any questions about this filing, please call Dawn Herrity at (718) 403-2975 or dherrity@keyspanenergy.com.

Respectfully submitted,

THE BROOKLYN UNION GAS COMPANY
d/b/a KEYSpan ENERGY DELIVERY NY

By: _____

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Enclosure