

KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LI
175 East Old Country Road
Hicksville, New York 11801

December 20, 2004

Hon. Jaclyn A. Brillling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

**Re: Case 03-M-0117 In the Matter of the Implementation of Chapter 686
of the Laws of 2002**

Dear Secretary Brillling:

KeySpan Gas East d/b/a KeySpan Energy Delivery Long Island ("KeySpan" or "Company") hereby files the following tariff leaf pursuant to the Commission's Order of October 25, 2004. Case 03-M-0117 *In the Matter of Implementation of Chapter 686 of the Laws of 2002*, "Order Modifying Suspension Fees and Other Tariff Provisions and Granting Further Relief" (October 25, 2004) ("October Order"):

Third Revised Leaf No. 63
To Schedule for Gas Service, P.S.C. No. 1-GAS

In the October Order, the Commission directed utilities to file revised tariffs that set the suspension fee equal to the utility's tariffed restoration fee, based on the rationale that the activities associated with service restoration were similar to those for service suspension. On November 24, 2004, the Company filed a petition for rehearing of the October Order, noting that its tariffed restoration fee was not cost based, and, accordingly, was not an appropriate proxy for a cost-based suspension fee. In lieu of filing tariffs implementing non-compensatory suspension fees, KeySpan filed a Motion For Stay of the October Order, noting that, in the Company's case, compliance with the October Order would require KeySpan to file a suspension fee that was far below the Company's cost to suspend, contrary to the Home Energy Fair Practices Act, which, as amended by Chapter 686 of the Laws of 2002, provides, *inter alia*, that utilities are to be fairly compensated for all costs associated with suspensions. Public Service Law §32(5)(c).

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In discussions with Staff, it has come to the Company's attention that the Commission may not regard the Company's filing of the Motion For Stay as adequate compliance with the October Order. KeySpan does not intend today's tariff filing as a waiver of either its arguments on rehearing or its legal rights with respect to receiving full and fair compensation for suspensions. The Company maintains the position set forth in its rehearing petition of the October Order, and respectfully request that the Commission grant its petition and assure that utilities receive fair compensation for undertaking suspensions, as the law requires.

Very truly yours,

Catherine L. Nesser