



December 28, 2009

Honorable Jaclyn A. Brilling
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 3 Rates**

Dear Secretary Brilling:

In accordance with the Commission's "Order Adopting Gas Rate Plans For KeySpan Energy Delivery New York and KeySpan Energy Delivery Long Island" dated December 21, 2007 in the above-captioned proceeding ("December 21 Order"), KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") hereby submits one copy of the revised tariff leaves listed in Appendix A and issued by KEDLI to its Schedule for Gas Service, PSC No. 1 on December 28, 2009 to become effective on a temporary basis on January 1, 2010. The purpose of the filing is to implement the Rate Year 3 rates contained in Appendices C and D of the Gas Rates Joint Proposal dated October 10, 2007 and adopted by the Commission in this proceeding.

KEDLI is updating its "Delivery Rate Surcharge" as required by the December 21 Order. A workpaper illustrating the allocation of the surcharge to the service classifications is attached as Appendix B. KEDLI is also updating its System Benefits Charge. Overcollections from the period August 2007 through December 2008 have been netted against the updated System Benefits Charge. The Company is not adding recovery of lost revenue to the System Benefits Charge at this time. After discussions with Staff, it was decided that KEDLI will now place this charge on a Statement of System Benefits Charge. Leaf 119.50 has been revised to include this new statement. A workpaper illustrating the allocation of the surcharge to the service classifications is attached as Appendix C.

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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,

Dawn Herrity
Lead Analyst

Enclosures

cc: Active Parties – Case 06-G-1186

APPENDIX A

Seventh Revised Leaf No. 119.50
Seventh Revised Leaf No. 121
Seventh Revised Leaf No. 122
Fourth Revised Leaf No. 122.2
Fourth Revised Leaf No. 122.3
Fifth Revised Leaf No. 124
Fifth Revised Leaf No. 125
Sixth Revised Leaf No. 127
Fifth Revised Leaf No. 128
Thirteenth Revised Leaf No. 137
Third Revised Leaf No. 137.1
Fourteenth Revised Leaf No. 138
Fifth Revised Leaf No. 213
Statement No. 1 – Statement of System Benefits Charge

KEDLI Surcharge Years 2009 to 2012

APPENDIX B

YR1 Firm Service Class Percentage Contribution to Firm Delivery Revenue		KEDLI Surcharge \$				
		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

Derivation of KEDNY and KEDLI 2010 SBC Charge

APPENDIX C

	2010 Calendar Year Firm Volume Sales + Transportation (Dt)	NGV (Dt)	Baseload DG (Dt)	2010 Calendar Year Firm Volume Less NGV and DG (Dt)	Energy Efficiency Dollars	Aug. 1, 2007 - Dec. 31, 2008 SBC Reconciliation Overcollection Plus Interest	Total SBC Collection Dollars	2010 SBC Surcharge (\$/dt)	2010 SBC Surcharge (\$/therm)
KEDNY	126,220,200	582,439	0	125,637,762	\$20,000,000	\$10,107,315	\$9,892,685	\$0.0787	\$0.0079
KEDLI	85,277,596	666,150	10,988	84,600,459	\$10,000,000	\$2,632,135	\$7,367,865	\$0.0871	\$0.0087

Note: SBC Reconciliation filed June 1, 2009