



December 28, 2009

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

**RE: CASE 06-G-1185 – Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of The Brooklyn Union Gas Company d/b/a
KeySpan Energy Delivery New York – Implementation Of Rate Year 3 Rates**

Dear Secretary Brillling:

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"), The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY") hereby submits one copy of the revised tariff leaves listed in Appendix A and issued by KEDNY to its Schedule for Gas Service, PSC No. 12 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.

KEDNY 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. KEDNY 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 KEDNY will now place this charge on a Statement of System Benefits Charge. Leaf 138.50 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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KEDNY 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, KEDNY 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-1185

APPENDIX A

Fifth Revised Leaf No. 138.50
Thirteenth Revised Leaf No. 140
Thirteenth Revised Leaf No. 144
Eighth Revised Leaf No. 148
Twelfth Revised Leaf No. 152
Thirteenth Revised Leaf No. 153
Eighth Revised Leaf No. 156
Thirteenth Revised Leaf No. 159
Thirteenth Revised Leaf No. 160
Twelfth Revised Leaf No. 163
Eleventh Revised Leaf No. 164
Eleventh Revised Leaf No. 171
Eleventh Revised Leaf No. 172
Seventh Revised Leaf No. 229
Fifteenth Revised Leaf No. 339
Thirteenth Revised Leaf No. 340
Twentieth Revised Leaf No. 341
Statement No. 1 – Statement of System Benefits Charge

KEDNY Surcharge Years 2008 to 2012

Appendix B

YR1 Firm Service Class Percentage Contribution to Firm Delivery Revenue		KEDNY Surcharge \$				
		2008	2009	2010	2011	2012
SC 1A	20.29%	\$1,014,341	\$2,028,681	\$3,043,022	\$4,057,363	\$5,071,703
SC 1B	57.96%	\$2,898,154	\$5,796,308	\$8,694,462	\$11,592,616	\$14,490,770
SC 2-1	6.38%	\$318,852	\$637,703	\$956,555	\$1,275,406	\$1,594,258
SC 2-2	6.08%	\$304,025	\$608,050	\$912,074	\$1,216,099	\$1,520,124
SC 3	7.55%	\$377,467	\$754,933	\$1,132,400	\$1,509,866	\$1,887,333
SC 4A	0.97%	\$48,290	\$96,579	\$144,869	\$193,158	\$241,448
SC 4B	0.19%	\$9,499	\$18,997	\$28,496	\$37,995	\$47,494
SC 7	0.01%	\$458	\$916	\$1,374	\$1,832	\$2,290
SC 14 NGV	0.58%	\$28,916	\$57,832	\$86,749	\$115,665	\$144,581
Total	100.00%	\$5,000,000	\$10,000,000	\$15,000,000	\$20,000,000	\$25,000,000

KEDNY Calendar Year Volumes					
	2008	2009	2010	2011	2012
SC 1A	6,658,177	6,523,560	6,425,718	6,331,528	6,267,505
SC 1B	69,244,852	69,110,502	69,547,720	69,957,102	70,938,921
SC 2-1	12,332,620	12,794,648	13,306,475	13,820,792	14,394,294
SC 2-2	10,234,165	10,369,564	10,679,445	10,960,986	11,414,632
SC 3	16,721,844	16,982,127	17,331,069	17,686,792	18,128,116
SC 4A	3,671,158	3,822,708	3,987,801	4,153,620	4,335,376
SC 4B	355,681	383,894	413,323	442,817	473,958
SC 7	23,094	23,030	23,030	23,030	23,094
SC 14 NGV	657,486	658,178	660,646	663,114	667,358
Total	119,899,076	120,668,212	122,375,227	124,039,780	126,643,254

KEDNY Surcharge Unitized \$/dth					
	2008	2009	2010	2011	2012
SC 1A	\$0.1523	\$0.3110	\$0.4736	\$0.6408	\$0.8092
SC 1B	\$0.0419	\$0.0839	\$0.1250	\$0.1657	\$0.2043
SC 2-1	\$0.0259	\$0.0498	\$0.0719	\$0.0923	\$0.1108
SC 2-2	\$0.0297	\$0.0586	\$0.0854	\$0.1109	\$0.1332
SC 3	\$0.0226	\$0.0445	\$0.0653	\$0.0854	\$0.1041
SC 4A	\$0.0132	\$0.0253	\$0.0363	\$0.0465	\$0.0557
SC 4B	\$0.0267	\$0.0495	\$0.0689	\$0.0858	\$0.1002
SC 7	\$0.0198	\$0.0398	\$0.0597	\$0.0795	\$0.0991
SC 14 NGV	\$0.0440	\$0.0879	\$0.1313	\$0.1744	\$0.2166
Total	\$0.0417	\$0.0829	\$0.1226	\$0.1612	\$0.1974

Derivation of KEDNY and KEDLI 2010 SBC Charge

APPENDIX C

	2010 Calendar Year Firm Volume <u>Sales + Transportation (Dt)</u>	<u>NGV (Dt)</u>	<u>Baseload DG (Dt)</u>	2010 Calendar Year Firm Volume <u>Less NGV and DG (Dt)</u>	Energy Efficiency <u>Dollars</u>	Aug. 1, 2007 - Dec. 31, 2008 SBC Reconciliation <u>Overcollection Plus Interest</u>	Total SBC Collection <u>Dollars</u>	2010 SBC <u>Surcharge (\$/dt)</u>	2010 SBC <u>Surcharge (\$/therm)</u>
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