



December 15, 2010

*Via Electronic Mail*

Honorable Jaclyn A. Brillling, Secretary  
State of New York  
Public Service Commission  
Office of the Secretary, 19th Floor  
Three Empire State Plaza  
Albany, NY 12223-1350

**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**

**Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard**

**Case 09-G-0363 – Petitions for Approval of Energy Efficiency Portfolio Standard (EEPS) Gas Energy Efficiency Programs**

Dear Secretary Brillling:

Enclosed please find for electronic filing a revised System Benefits Charge Statement, issued by KeySpan Gas East Corporation d/b/a National Grid (hereinafter “the Company”), in compliance with the requirements of the Public Service Commission of the State of New York (“Commission”).

System Benefits Charge Statement No. 3  
To PSC No. 1 - Gas  
Effective: January 1, 2011

The Company is updating its System Benefits Charge (“SBC”) to reflect the various authorized collections for Calendar Year 2011 (*see* Attachment 1 hereto). Last January, the Company updated its SBC factor by using the authorized collection amount from the Company’s Interim Energy Efficiency Joint Proposal dated May 31, 2007; netting the over-collection dollars (calculated by comparing program expenditures to actual SBC collections) from the period August 2007 through December 2008; and then dividing by the Company’s 2010 projected sales forecast.

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By contrast, this year's Attachment 1 illustrates the calculation used to develop the Company's 2011 SBC factor. The Company calculated the 2011 SBC factor by using authorized 2011 collection amounts (*see* Attachment 2 hereto); plus any under-recoveries (calculated by comparing authorized SBC collections to actual SBC collections) for Calendar Year 2009 (*see* Attachment 3 hereto) and dividing by the Company's 2011 projected sales forecast.

The Company has modified the approach for 2011 to be consistent with the Commission's June 23, 2008 Order (the "EEPS Order"). The Company's 2010 SBC Statement conformed to the requirements of the JP for the interim gas energy efficiency programs where the SBC dollars collected from customers were reconciled against authorized program expenditures. In contrast, this 2011 SBC Statement is based on a composite of both interim gas programs and EEPS gas programs. Given this mix of interim and EEPS programs, the Company has adopted the EEPS Order reconciliation methodology for 2011.

Should you have any questions concerning this filing, please contact me at Dawn.Herrity@us.ngrid.com. Thank you for your attention to this matter.

Sincerely,

Dawn Herrity  
Lead Analyst

/dh

Enclosures

cc: Active Parties List in Case 06-G-1186  
Active Parties List in Case 07-M-0548 via EEPS listserv