



August 5, 2011

Honorable Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 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 National Grid NY– Transportation and Balancing Collaborative

Dear Secretary Brillling:

In accordance with the Public Service Commission of the State of New York's ("Commission") "Order Approving Transportation and Balancing Collaborative Report Recommendations with Modifications" dated June 23, 2009 and "Order Regarding Tariff Filing Further Revisions – T&B Collaborative" dated January 19, 2010 (Collectively "June 23rd and January 19th Orders"). The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY" or "the Company") hereby submits one copy of: 1) the revised tariff leaves listed in Appendix A to KEDNY's Schedule for Gas Service, PSC No. 12 to become effective on November 1, 2011 and 2) .the revised Statement of Seller Charges and Adjustments ("Seller Statement") set forth in Appendix B also to become effective on November 1, 2011.

The purpose of this filing is to file revisions to KEDNY's tariff and Seller Statement in accordance with the June 23rd and January 19th Orders to implement daily balancing effective November 1, 2011 and imbalance trading for monthly and daily balanced customers effective December 1, 2011.

Specifically, the Company is modifying its tariff to: 1) provide customers the option to take either daily or monthly balancing; 2) establish gas delivery procedures for daily balancing; 3) establish cash out provisions for daily balancing; 4) modify cash out provisions for monthly balancing to provide for imbalance trading; 5) establish imbalance trading for monthly and daily balanced customers; 6) modify form of service agreement for non-core transportation service to provide for daily balancing and to update associated pricing provisions and 7) remove form of service agreement for core transportation and swing service. The Seller Statement is being modified to set forth the charges associated with daily balancing.

Copies of this filing are being served electronically on all active parties to this proceeding. If you have any questions about this filing, please contact Melissa Nairn at (718) 403-2974.

Sincerely,

Melissa R. Nairn
Gas Regulation & Pricing

Enclosures
cc: Active Parties – Case 06-G-1185

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APPENDIX A

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APPENDIX A

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APPENDIX B

Statement of Seller Charges and Adjustments

PSC NO: 12 GAS
 THE BROOKLYN UNION GAS COMPANY
 INITIAL EFFECTIVE DATE: 11/01/11

STATEMENT TYPE: SCA
 STATEMENT NO: XX
 PAGE 1 Of 3

PRO - FORMA
STATEMENT OF SELLER CHARGES AND ADJUSTMENTS
Applicable to Customers Under Service Classification No. 19
For the Period XXXX - XXXX

Daily Swing Service Monthly Demand Charge

A. Applicable to Sellers that participate in the Monthly Balancing Program that serve SC 17 Customers

Load Factor	\$ / dth
0-50%	XX
51-100%	XX

B. Applicable to Sellers that participate in the Monthly Balancing Program that serve SC 18 Customers
 (Excludes power generation)

\$ / dth
XX

C. Applicable to Sellers that participate in the Daily Balancing Program that serve SC 18 Customers
 (Excludes power generation)

Tolerance Band	\$ / dth
+ / - 5%	XX

Unitized Fixed Cost Credits Applicable to Sellers Serving SC 17 Customers
 (After 2.34% Losses)

\$ / dth
XX

Daily Cash Out Prices

A. Applicable to Sellers that participate in the Monthly Balancing Program :

The Daily Cash Out Price is the Transco Zone 6 NY mid point price for the date of flow published in Platt's Gas Daily Price Guide, Daily Price Survey and is reflected as a per dekatherm price.

PSC NO: 12 GAS
 THE BROOKLYN UNION GAS COMPANY
 INITIAL EFFECTIVE DATE: 11/01/11

STATEMENT TYPE: SCA
 STATEMENT NO: XX
 PAGE 2 Of 3

PRO - FORMA
STATEMENT OF SELLER CHARGES AND ADJUSTMENTS
Applicable to Customers Under Service Classification No. 19
For the Period XXXX - XXXX

Daily Cash Out Prices (Continued)

B. Applicable to Sellers that participate in the Daily Balancing Program :

The Daily Cash Out Price is a weighted average dollar per dekatherm price determined for each Seller proportionate to the amount of gas that the Seller delivers on each interstate pipeline to the Company's city gate.

The interstate pipeline gas prices used to compute the Daily Cash Out Price are obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow as follows:

- Transco – Transco Zone 6 NY mid-point price
- Texas Eastern – Tx. Eastern M3 mid-point price
- Iroquois – Iroquois Zone 2 mid-point price
- Tennessee – Tx Eastern M3 mid-point price

\$/ dth

Daily Cash Out Penalties:

Applicable to Sellers that participate in the Monthly Balancing Program :

City Gate Balancing Penalty Charge	XX
Operational Flow Order (OFO) Penalty Charge	XX

Monthly Cash Out Prices

A. Applicable to Sellers that participate in the Monthly Balancing Program :

The Daily Cash Out Price is the Transco Zone 6 NY mid point price for the date of flow published in Platt's Gas Daily Price Guide, Daily Price Survey and is reflected as a per dekatherm price.

PSC NO: 12 GAS
 THE BROOKLYN UNION GAS COMPANY
 INITIAL EFFECTIVE DATE: 11/01/11

STATEMENT TYPE: SCA
 STATEMENT NO: XX
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PRO - FORMA
STATEMENT OF SELLER CHARGES AND ADJUSTMENTS
Applicable to Customers Under Service Classification No. 19
For the Period XXXX - XXXX

Monthly Cash Out Prices (Continued)

B. Applicable to Sellers that participate in the Daily Balancing Program :

The Daily Cash Out Price is a weighted average dollar per dekatherm price determined for each Seller proportionate to the amount of gas that the Seller delivers on each interstate pipeline to the Company's city gate.

The interstate pipeline gas prices used to compute the Daily Cash Out Price are obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow as follows:

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 Texas Eastern – Tx. Eastern M3 mid-point price
 Iroquois – Iroquois Zone 2 mid-point price
 Tennessee – Tx Eastern M3 mid-point price

Mandatory Capacity Program:

Applicable to Sellers that serve SC 17 Customers

	<u>\$/ dth</u>
Weighted Average Cost Of Capacity (WACOC)	XX
Tier 2 - Bundled Winter Sales Price	XX
Tier 3 - Virtual Storage Price	XX

Applicable to Sellers Participating in the POR Program:

	<u>\$/ dth</u>
Commodity Related Credit and Collection Expenses	XX
Commodity Related Credit and Collection Expenses Annual Imbalance Surcharge / Refund (March 1, 2011 Through December 31, 2011)	XX

Unaccounted For Gas (UFG) **2.34%**

Issued by Alan P. Foster, Senior Vice President and Controller, Brooklyn, NY