

**KEYSPAN**

EXECUTIVE SECRETARY

One MetroTech Center  
Brooklyn, New York 11201-3850

2007 NOV 28 AM 10:03

Reports  
97-M-0567

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November 27, 2007

**VIA FEDERAL EXPRESS MAIL**

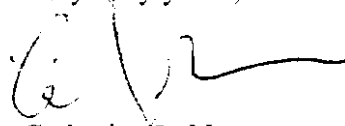
Hon. Jaclyn A. Brillling, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 97-M-0567 Joint Petition of the Long Island Lighting Company  
and The Brooklyn Union Gas Company for Authorization Under §70  
of the Public Service Law.

Dear Secretary Brillling:

This is to inform the Commission that The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York is issuing to persons listed on the Case 97-M-0567 active parties list copies of the attached annual earnings report for 2007. This distribution was made pursuant to the Settlement Agreement approved by the Commission in Case 97-M-0567.\*

Very truly yours,



Catherine L. Nesser

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\* Case 97-M-0567, *Joint Petition of Long Island Lighting Company and The Brooklyn Union Gas Company for Authorization Under Section 70 of the Public Service Law to Transfer Ownership to an Unregulated Holding Company and Other Related Approvals*, "Order Adopting Terms of Settlement Subject to Conditions and Changes" (February 5, 1998).

**KeySpan Energy Delivery New York**  
**Rate Of Return on Common Equity**  
**Before Sharing**  
**Fiscal 2007**  
**(\$000)**

Appendix A  
Summary

	Average Common <u>Equity</u>	12 months <u>Earnings</u>	Rate of <u>Return</u>
Brooklyn Union Results for the 12 Months ended September 2007	1,149,608	155,909	13.56% Schedule 1
<u>Adjustments:</u>			
ITC Amortization	(455)	(911)	Account 420.02
Misc Below the Line Activities	171	342	Schedule 2
General taxes ( below the Line)	0	0	Schedule 3
<b>Regulated Utility</b>	<u>1,149,324</u>	<u>155,341</u>	<u>13.52%</u>
<b>Discrete Adjustments</b>			
Other Comprehensive Income	42,599		Schedule 1
Off System Sales	(3,768)	(7,535)	Schedule 4
UFG Adjustment	-	-	Schedule 5
<b>Total Discrete Adjustments</b>	38,832	(7,535)	
<b>Utility Results</b>	1,188,155	147,805	12.44%

# KeySpan Energy Delivery New York

Common Equity  
(000)

Appendix A  
Schedule 1

Month	BEGINNING COMMON	SUBS DRAW BU	DIV'D KEYSPAN	NET INCOME	OTHER COMPREHENSIVE INCOME	Purchase Accounting Adjustment	Regulatory Liabilities	ENDING COMMON
Oct-06	1,058,629,702	0	0	8,439,594	0			1,067,069,296
Nov-06	1,067,069,296	0	0	18,451,653	0			1,085,520,949
Dec-06	1,085,520,949	0	0	22,704,483	(38,176,390)			1,070,049,042
Jan-07	1,070,049,042	0	0	67,743,882	0			1,137,792,924
Feb-07	1,137,792,924	0	0	57,486,785	0			1,195,279,709
Mar-07	1,195,279,709	1,940,000	1,940,000	(21,228,345)	2,303,691			1,176,355,055
Apr-07	1,176,355,055	0	0	22,179,914	614,155			1,199,149,124
May-07	1,199,149,124	0	0	2,748,150	614,155			1,202,511,429
Jun-07	1,202,511,429	0	0	(11,788,881)	614,155			1,191,336,702
Jul-07	1,191,336,702	0	0	(4,969,786)	614,155			1,186,981,071
Aug-07	1,186,981,071	1,940,000	1,940,000	(2,869,103)	55,129,140	(1,176,673)	(53,858,308)	1,186,559,473
Sep-07	1,186,559,473	0	0	(2,988,897)	(87,455)	(87,455)	(86,875,691)	1,096,694,886
TOTALS		3,880,000	3,880,000	155,909,449	21,625,606	(1,264,128)	(140,733,999)	
Average 07					42,599,185			1,149,608,305

*Regulatory Liabilities is per Settlement Credit Agreement*

**KEDNY REGULATED COMMON EQUITY**  
**12 Months Ending September 30,2007**

	Total Common Equity Including OCI	OCI	Investment In Subs	Utility Common Equity
September-06	\$ 1,105,212,854	\$ 21,625,606	\$ 46,583,152	\$ 1,058,629,702
October-06	\$ 1,114,412,582	\$ 21,625,606	\$ 47,343,286	\$ 1,067,069,296
November-06	\$ 1,133,744,022	\$ 21,625,606	\$ 48,223,073	\$ 1,085,520,949
December-06	\$ 1,118,234,990	\$ 59,801,996	\$ 48,185,948	\$ 1,070,049,042
January-07	\$ 1,186,776,460	\$ 59,801,996	\$ 48,983,537	\$ 1,137,792,923
February-07	\$ 1,245,204,854	\$ 59,801,996	\$ 49,925,145	\$ 1,195,279,709
March-07	\$ 1,224,243,336	\$ 60,614,232	\$ 47,888,281	\$ 1,176,355,055
April-07	\$ 1,247,800,187	\$ 61,038,719	\$ 48,651,063	\$ 1,199,149,124
May-07	\$ 1,251,840,985	\$ 56,269,995	\$ 49,329,557	\$ 1,202,511,429
June-07	\$ 1,240,840,822	\$ 55,655,840	\$ 49,504,120	\$ 1,191,336,703
July-07	\$ 1,237,113,724	\$ 55,041,685	\$ 50,132,652	\$ 1,186,981,072
August-07	\$ 1,235,822,159	\$ (87,455)	\$ 49,262,686	\$ 1,186,559,474
September-07	\$ 1,146,635,081	\$ -	\$ 49,940,196	\$ 1,096,694,886
	\$ 14,382,669,202	\$ 511,190,216	\$ 587,369,542	\$ 13,795,299,661
	\$ 1,198,555,767	\$ 42,599,185	\$ 48,947,462	\$ 1,149,608,305

**Source: Balance Sheet**

Account 2190K B/S summary

B/S summary

Total Proprietary

Capital account 2190K B/S summary

**KEDNY-ITC Amortization**  
**12 Months Ending September 30,2007**  
Account 4200K

September-06	227,689
October-06	0
November-06	0
December-06	227,684
January-07	0
February-07	0
March-07	0
April-07	0
May-07	0
June-07	455,369
July-07	0
August-07	227684
September-07	0
	<u>910,737</u>

**Source: Balance Sheet**  
account 4200K

**KeySpan Energy Delivery New York**  
**Misc. Below the Line Activities**  
**(000)**

Appendix A  
Schedule 2

Misc . Net	\$526
FIT effect @ 35%	\$184
Net	\$342

## Schedule 2 Work Sheet

October-06	33,519
November-06	618,487
December-06	-273,862
January-07	28,536
February-07	4,314
March-07	24,654
April-07	7,141
May-07	32,362
June-07	11,296
July-07	14,922
August-07	20,038
September-07	4,813
	<u>526,220</u>

Source: Income statement  
accounts 4261K (2493 & 3146)  
4264K (2052 & 4476)

**KeySpan Energy Delivery New York**  
**General Taxes (Below the Line)**  
**(000)**

Appendix A  
Schedule 3

Month	<u>Amount</u>
October-06	0
November-06	0
December-06	0
January-07	0
February-07	0
March-07	0
April-07	0
May-07	0
June-07	0
July-07	0
August-07	0
September-07	0
Total	<u>0</u>
FIT @ 35%	<u>0</u>
Net	<u><u>0</u></u>

Source: Income Statement  
account: 4082K



**KeySpan Energy Delivery New York**  
**Off System Hub Profits**  
**(000)**

Appendix A  
Schedule 4

Month	<u>Amount</u>
October-06	297
November-06	1,180
December-06	3,211
January-07	1,984
February-07	1,633
March-07	1,523
April-07	148
May-07	155
June-07	256
July-07	322
August-07	496
September-07	386
Total	<u>11,593</u>
FIT @ 35%	<u>4,057</u>
Net	<u><u>7,535</u></u>

Source: Balance Sheet  
Account: 1860K 003489

**KeySpan Energy Delivery New York**  
**UFG ADJUSTMENT**  
**(000)**

Appendix A  
Schedule 5

UFG Adjustment	\$0
FIT effect @ 35%	\$0
Net	\$0

# KED New York Residential Customer Satisfaction PSC Quality Performance Measure

2007

%	Oct'06	Nov'06	Dec'06	Jan'07	Feb'07	Mar'07	Apr'07	May'07	June'07	July'07	Aug'07	Sept'07	YTD
Rating 6 - 10	88.5	87.9	87.2	93.0	87.2	87.7	88.1	89.9	91.2	89.1	87.5	87.1	88.7

84.8

Q1.Overall, how satisfied were you with the way KeySpan Energy Delivery handled your request, question or problem?