

..DID: 11513

..TXT:

THE BROOKLYN UNION GAS COMPANY

One MetroTech Center

Brooklyn, NY 11201

March 22, 2000

Hon. Debra Renner
Acting Secretary
Public Service Commission
State of New York
Three Empire State Plaza
Albany, New York 12223

Re: Case No. 99-G-1369 - Petition by New York Gas Group for Permission to Establish a Voluntary State Funding Mechanism to Support Medium and Long Term Gas Research and Development (R&D) Programs.

Dear Acting Secretary Renner:

Attached for filing electronically with the Commission are the following tariff leaves, issued by The Brooklyn Union Gas Company ('the Company'), to become effective on April 23, 2000:

Fourth Revised Leaf No. 5
Second Revised Leaf No. 90
to Schedule for Gas Service, P.S.C. No. 12-GAS.

This filing is made in compliance with the Commission's order dated February 14, 2000 which allows LDCs to establish a voluntary funding mechanism to support medium and long term gas R&D programs.

On October 4, 1999, the New York Gas Group (NYGAS) filed a petition on behalf of its members to establish this voluntary mechanism. The Federal Regulatory Energy Commission (FERC) had approved a five-year phase out of a surcharge that had traditionally supported R&D programs. NYGAS pointed out that although the FERC surcharge was being phased out, the value of R&D programs is significant to natural gas customers. Thus, the filing of NYGAS' petition for the funding mechanism.

The funding mechanism will be named the *Research and Development Surcharge*. It will appear on the Company's Statement of Monthly Cost of Gas and Adjustments for firm sales customers and on the Statement of Unbundled Transportation Service Charges for firm transportation customers.

If you have any questions regarding this filing, please contact Dawn Herrity at (718) 403-2975.

Respectfully submitted,

THE BROOKLYN UNION GAS COMPANY

By: _____