



October 31, 2008

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

Dear Secretary Brillling:

Attached for filing in accordance with the requirements of the Public Service Commission of the State of New York is the following Statement:

Statement of Net Revenue Sharing Surcharge No. 7

To PSC No. 219 Gas

Effective: December 1, 2008

The company files this Statement per Rule 26 of its PSC No. 219 Gas Tariff in Compliance with the Gas Rate and Restructuring Settlement Agreement in Case 99-G-0336. The Rule requires the Company to submit for review and approval by November 30th of each year its calculation of any net revenue sharing refund or recovery. The resulting calculation for the twelve months ending August 31, 2008 is a surcharge of \$0.00656 per therm. The surcharge rate is based on the amount of \$4,466,804.97 under recovered from Service Classifications 4, 6 & 9 for the twelve month period ending August 31, 2008 inclusive of an adjustment related to the 80/20 percent symmetrical sharing applicable to SC Nos. 4 & 6 and adjustments related to Tariff Rules 26.3.3 and 26.3.5. The amount is further adjusted by \$358,725.80 related to the un-recovered balance applicable to the Statement No. 5 surcharge to arrive at the total amount to be recovered of \$4,825,530.77. The total amount of \$4,825,530.77 is then divided by projected throughput for the twelve month period beginning December 1, 2008 through November 30, 2009 to arrive at a surcharge rate of \$0.00656 per therm.

The table below illustrates the development of the resulting under collected delivery revenues inclusive of adjustments per Tariff Rules 26.3.3 and 26.3.5 of the Company's Gas Tariff, PSC 219.

	SC4 & 6	SC9 Individually Negotiated Contracts	Total
TARGETS TO DATE	\$ 4,600,000.00	\$ 20,000,000.00	\$ 24,600,000.00
TOTAL ACTUAL REVENUE	\$ 5,376,983.95	\$ 14,125,025.97	\$ 19,502,009.92
(OVER)/UNDER	\$ (776,983.95)	\$ 5,874,974.03	\$ 5,097,990.08
REVENUE SHARING BEFORE ADJUSTMENTS	\$ (776,983.95)	\$ 5,874,974.03	\$ 5,097,990.08
ADJUSTMENT PER RULE 26.3.3, PSC 219 (SC9 TO SC8)	\$ -	\$ (551,747.29)	\$ (551,747.29)
ADJUSTMENT PER RULE 26.3.5, PSC 219 (50% SHORTFALL ADJUSTMENT FOR RENEGOTIATED SC9 CONTRACT, CUSTOMER NO. 7)	\$ -	\$ (234,834.61)	\$ (234,834.61)
SHARING PERCENTAGE (SYMMETRICAL)	\$ 0.80	\$ 1.00	
AMOUNT TO BE RECOVERED	\$ (621,587.16)	\$ 5,088,392.13	\$ 4,466,804.97
STATEMENT 5 - SEPTEMBER 2005 - AUGUST 2006 BALANCE TO BE RECOVERED			\$358,725.80
TOTAL AMOUNT TO BE RECOVERED			\$4,825,530.77
ESTIMATED SALES (SC1, 2 & 3 Sales and TransportTherms) TWELVE MONTHS ENDING NOVEMBER 2009			735,711,457
SURCHARGE EFFECTIVE DECEMBER 1, 2008 THROUGH NOVEMBER 30, 2009			\$ 0.00656

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Complete work papers supporting the \$0.00656 surcharge have been sent directly to the Commission's Staff.

Please advise the undersigned of any action taken on this filing at (315) 428-5613 or via e-mail to john.powers@us.ngrid.com.

Very truly yours,

John T. Powers

Principal Analyst, Gas Pricing

JTP/tlf (S:/tariffs/219tariff/docfile/letters/lett229)

Enclosures

cc:	Gary Ahern	Theresa M. Burns	Cynthia A. Kernan
	Daniel J. Wheeler, PSC	Mark C. Eddy	Jennifer B. Feinstein
	Marcia G. Collier	James M. Molloy	Robert T. Campbell