

PSC NO: 1-GAS  
COMPANY: KEYSpan GAS EAST CORPORATION  
INITIAL EFFECTIVE DATE: 10/01/2008

**STATEMENT TYPE: GAC**  
**STATEMENT NO: 116**

**STATEMENT OF GAS AND PIPELINE COSTS AND ADJUSTMENTS**  
**(Issued under authority of 16 NYCRR 270.57)**

<b>Applicable to Service Classification Nos.</b>	<b>1, 2, 3, 15, 16, 17 ¢ per therm</b>	<b>5 ¢ per therm</b>
1. Weighted Average Unitized Commodity Cost of Gas	<b>75.1143</b>	<b>0.0000</b>
2. Weighted Average Unitized Fixed Costs	22.9186	0.0000
3. Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses)	98.0329	0.0000
4. Unitized Fixed Cost Credits	(8.7948)	0.0000
5. Weighted Average Unitized Cost of Gas including Fixed Cost Credits (3 + 4)		
a) Before losses	89.2381	0.0000
b) After 2.73% losses	<b>91.7457</b>	<b>0.0000</b>
6. Adjustments		
a) Monthly Cost of Gas Imbalance Surcharge or Refund	0.0000	0.0000
b) Annual Cost of Gas Imbalance Surcharge or Refund for the period May 01, 2008 through December 31, 2008 referable to the twelve months ending August 31, 2007	(10.9150)	(10.1010)
c) Pipeline Refund Provision	(0.5148)	(0.5148)
d) Research & Development Charge	0.0250	0.0250
e) Capacity Release Surcharge Adjustment	(0.1322)	0.7090
f) Merchant Function Charge	4.7920	2.3761
g) Property Tax Deferral Recovery	7.4867	7.4867
Total adjustments	0.7417	(0.0190)
7. Total Unitized Cost of Gas (5 + 6)	<b>92.4874</b>	<b>(0.0190)</b>

Issued by Nickolas Stavropoulos, Executive Vice President, Hicksville, NY  
KeySpan Gas East Corporation

Computation Date: September 29, 2008