

PSC NO: 1-GAS
COMPANY: KEYSpan GAS EAST CORPORATION
INITIAL EFFECTIVE DATE: 11/01/2008

STATEMENT TYPE: GAC
STATEMENT NO: 117

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

| Applicable to Service Classification Nos. | 1, 2, 3, 15, 16, 17 <u>¢ per therm</u> | 5 <u>¢ per therm</u> |
|---|---|---------------------------------------|
| 1. Weighted Average Unitized Commodity Cost of Gas | 82.1812 | 0.0000 |
| 2. Weighted Average Unitized Fixed Costs | 22.6721 | 0.0000 |
| 3. Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses) | 104.8533 | 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 | 96.0585 | 0.0000 |
| b) After 2.73% losses | 98.7577 | 0.0000 |
| 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 | (0.7209) | 2.6545 |
| f) Merchant Function Charge | 4.7966 | 2.3949 |
| g) Property Tax Deferral Recovery | 7.4867 | 7.4867 |
| Total adjustments | 0.1576 | 1.9453 |
| 7. Total Unitized Cost of Gas (5 + 6) | 98.9153 | 1.9453 |

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

Computation Date: October 30, 2008