

PSC NO: 1-GASCOMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I.
INITIAL EFFECTIVE DATE: 07/01/2006**STATEMENT TYPE: GAC**

STATEMENT NO: 89

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

Applicable to Billing as explained on Leaf Nos. 68, 69, 70, 71, 72 and 73

Applicable to Service Classification Nos.		<u>SC 1,2,3,15,16,17</u>	<u>SC 5 (1,2,3,15,16)</u>	<u>SC 5 (17)</u>
		(¢/therm)	(¢/therm)	(¢/therm)
1.	Average cost of gas, including Pipeline costs, at the City Gate, for the month of July 2006	75.0659	0.0000	0.0000
2.	Factor of Adjustment	1.0404	1.0341	1.0341
3.	Monthly Average Cost of Gas, including Pipeline costs, at the Customer Meter	78.0986	0.0000	0.0000
4.	Monthly Adjustment Surcharge/Refund	0.0000	0.0000	0.0000
5.	a. Transition Surcharge	0.0000	0.0000	0.0000
	b. Transition Surcharge Credit	0.0000	N/A	N/A
6.	Adjusted Monthly Average Cost of Gas	78.0986	0.0000	0.0000
7.	Refund provision credit per therm	0.0000	0.0000	0.0000
8.	LIPA Local Transportation Credit per therm	0.8617	0.8617	0.8617
9.	Cost of Gas Credits			
	a. Interruptible sales credit per therm	5.4700		
	b. Research and Development Surcharge	(0.1740)		
	c. Merchant Function Backout Credit	1.9000		
	applicable to SC5 (excluding SC5-17)			
	Subtotal	5.2960	7.1960	5.2960
10.	Annual Surcharge or Refund per therm of gas sold applicable during the period March 01, 2006 through December 31, 2006 referable to the twelve months ending August 31, 2005	(0.2890)	(0.2890)	(0.2890)
11.	Recovery of GCA property tax deferral	(4.6019)	(4.6019)	(4.6019)
12.	Total Credit (Sum of Lines 7 thru 11)	1.2668	3.1668	1.2668
Commencing with meter readings taken on and after the effective date and continuing thereafter until changed, the Gas Cost per therm applicable to customers' bills shall be:				
13.	Bills rendered monthly	76.8317	(3.1668)	(1.2668)

Issued by Joseph F. Bodanza, Senior Vice President, Hicksville, NY
KeySpan Gas East Corp. DBA Brooklyn Union of L.I.

Computation Date: June 29, 2006