

**PSC NO: 1 GAS****STATEMENT TYPE: GAC**

COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I.

STATEMENT NO: 58

INITIAL EFFECTIVE DATE: 01/01/04

**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

<b>Applicable to Service Classification Nos.</b>	<b><u>1,2,3,15,16&amp;17</u></b>	<b><u>5</u></b>	<b><u>5 (17)</u></b>
1. Average cost of gas, including Pipeline costs, at the City Gate, for the month of <b>January 2004</b>	71.0924	0.0000	0.0000
2. Factor of Adjustment	1.0404	1.0404	1.0404
3. Monthly Average Cost of Gas, including Pipeline costs, at the Customer Meter	73.9645	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	73.9645	0.0000	0.0000
7. Refund provision credit per therm	0.9066	0.9066	0.9066
8. LIPA Local Transportation Credit therm	0.1599	0.1599	0.1599
9. Cost of Gas Credits			
a. Interruptible sales credit per therm	1.6491		
b. Research and Development Surcharge	(0.1180)		
c. Merchant Function Backout Credit (SC5)		1.9000	
Subtotal	1.5311	3.4311	1.5311
10. Annual Surcharge or Refund per therm of gas sold applicable during the period <b>January</b> 2004 through December 2004 referable to the twelve months ending August 2003			
Refund	(0.3701)	(0.3701)	(0.3701)
11. Recovery of GCA property tax deferral	(5.1612)	(5.1612)	(5.1612)
12. Total Credit (Sum of Lines 7 thru 11)	(2.9337)	(1.0337)	(2.9337)
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	76.8982	1.0337	2.9337

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

Computation Date: December 30, 2003