

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

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

STATEMENT NO: 65

INITIAL EFFECTIVE DATE: 08/01/04

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

Applicable to Service Classification Nos.		<u>1,2,3,15,16&17</u>	<u>5</u>	<u>5 (17)</u>
1.	Average cost of gas, including Pipeline costs, at the City Gate, for the month of August 2004	78.3492	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	81.5145	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	81.5145	0.0000	0.0000
7.	Refund provision credit per therm	0.0000	0.0000	0.0000
8.	LIPA Local Transportation Credit therm	1.3941	1.3941	1.3941
9.	Cost of Gas Credits			
	a. Interruptible sales credit per therm	6.2398		
	b. Research and Development Surcharge	(0.1180)		
	c. Merchant Function Backout Credit applicable to S.C. 5 (excluding SC5-17)	1.9000		
	Subtotal	6.1218	8.0218	6.1218
10.	Annual Surcharge or Refund per therm of gas sold applicable during the period January 2004 through December 2004 referable to the twelve months ending August 2003			
	Refund	0.0814	0.0814	0.0814
11.	Recovery of GCA property tax deferral	(4.2068)	(4.2068)	(4.2068)
12.	Total Credit (Sum of Lines 7 thru 11)	3.3905	5.2905	3.3905
	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	78.1240	(5.2905)	(3.3905)

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: July 29, 2004