

PSC NO: 1-GAS  
COMPANY: KEYSpan GAS EAST CORPORATION  
INITIAL EFFECTIVE DATE: 09/01/2009

**STATEMENT TYPE: GAC**  
STATEMENT NO: 127

**STATEMENT OF GAS AND PIPELINE COSTS AND ADJUSTMENTS**  
**Applicable to usage under Service Classification Nos. 1, 2, 3, 15, 16, 17**  
**(Issued under authority of 16 NYCRR 270.57)**

<b>Applicable to Service Classification Nos.</b>	<b>1, 2, 3, 15, 16, 17</b> <b><u>¢ per therm</u></b>
1. Weighted Average Unitized Commodity Cost of Gas	<b>28.4422</b>
2. Weighted Average Unitized Fixed Costs	25.5705
3. Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses)	54.0127
4. Unitized Fixed Cost Credits	(9.3654)
5. Weighted Average Unitized Cost of Gas including Fixed Cost Credits (3 + 4)	
a) Before losses	44.6473
b) After 2.73% losses	<b>45.9019</b>
6. Adjustments	
a) Monthly Cost of Gas Imbalance Surcharge or Refund	0.0000
b) Annual Cost of Gas Imbalance Surcharge or Refund for the period March 01, 2009 through December 31, 2009 referable to the twelve months ending August 31, 2008	2.1260
c) Pipeline Refund Provision	0.0000
d) Research & Development Charge	0.0250
e) Capacity Release Surcharge Adjustment	(0.7209)
f) Merchant Function Charge	3.0246
g) Annual Merchant Function Charge Imbalance Surcharge or Refund for the period March 01, 2009 through December 31, 2009 referable to the twelve months ending August 31, 2008	0.3670
Total adjustments	4.8217
7. Total Unitized Cost of Gas (5 + 6)	<b>50.7236</b>

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

Computation Date: August 28, 2009