

PSC NO: 1 GAS LEAF: 74.3
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 11/03/06 SUPERSEDING REVISION:

GENERAL INFORMATION

3. **Annual Gas-Related Cost Reconciliation Surcharge or Refund** for Service Classification Nos. 1, 2, 3, 15, 16, and 17 shall be computed as follows:

Compare: a. Total Actual Supply-Related Costs
to b. Total Supply-Related Cost Recoveries
ADD OR SUBTRACT
c. Net remaining prior year imbalance.

a. Total Actual Supply-Related Costs=

- (i) Actual Uncollectible Expenses calculated by multiplying the actual Uncollectible Rate by the Actual Total Cost of Gas, **PLUS**
(ii) Actual Return on Working Capital calculated by multiplying the Return Requirement Percentage by (a) the actual Lead-Lag percentage and (b) by the Actual Total Cost of Gas, **PLUS**

Total Actual Supply Related Costs = (i) + (ii)

Current Year Imbalance = a - b +- c

Divide result by forecast Gas Sales to customers served under Service Classification Nos. 1, 2, 3, 15, 16, and 17 for twelve month period January 1 through December 31.

The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31 of each year. The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year in which it is to become effective.

The surcharge or refund shall be effective with the first January billing of each year.

4. **Annual Return on Storage Costs Reconciliation Surcharge or Refund** for Service Classification Nos. 1, 2, 3, 5, 15, 16, and 17 shall be computed as follows:

Compare: a. Total Actual Return on Storage Costs
to b. Total Return on Storage Recoveries
ADD OR SUBTRACT
c. Net remaining prior year imbalance.

Issued by: Joseph F. Bodanza, Senior Vice President, Hicksville, NY