

PSC NO: 1 GAS LEAF: 73.1
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
 INITIAL EFFECTIVE DATE: 01/01/08 SUPERSEDING REVISION:
 STAMPS: Issued in compliance with order in Case No. 06-G-1186 dated 12/21/07

GENERAL INFORMATION

1. Total Actual Fixed Cost of Gas
 - a) Actual suppliers, transporters and storage providers fixed rates and charges, **PLUS**
 - b) Any other fixed charges for the Gas Cost Year,
 Total Actual Fixed Cost of Gas with Credits = (a)+(b)
2. Total Actual Commodity Costs
 - a) Actual Commodity Cost of Flowing Gas **PLUS**
 - b) Actual Commodity Cost of gas withdrawn from storage or LNG vaporized, **PLUS**
 - c) All other actual allowable fees and charges associated with purchase of gas.
 Total Actual Commodity Cost of Gas = (a)+(b)+(c)
3. Total Actual Hedging Costs / Credits
4. Total Actual Gas Credits
 - a) Actual Service Classification No. 12 billed sales multiplied by 4.60 cents per therm, **PLUS**
 - b) Actual Off-system Revenue Credits, **PLUS**
 - c) Actual Marketer Capacity Program Credits, **PLUS**
 - d) Actual transportation revenues realized from power generation customers served under Service Classification Nos. 7 and 14, **PLUS**
 - e) Actual Standby Demand Charge credits received from marketers serving transportation customers under Service Classifications No. 5, **PLUS**
 - f) Actual LIPA Power Plant Transportation Credits
 Total Actual Gas Credits = (a)+(b)+(c)+(d)+(e)+(f)
5. Total Actual Gas Costs = (1)+(2)±(3)-(4)
6. Total Fixed Cost of Gas Recoveries
Total revenues from monthly fixed cost of gas charges during Gas Cost Year, net of associated revenue taxes.
7. Total Commodity Cost of Gas Recoveries
Total recoveries from Monthly Commodity Cost of Gas charges during Gas Cost Year, net of associated revenue taxes.
8. Total Hedging Costs/Credits Recoveries
Total Hedging Costs/Credits Recoveries during the Gas Cost Year.
9. Total Gas Credit Recoveries
Total Gas Credit Recoveries during the Gas Cost Year
10. Total Gas Recoveries = (6)+(7)±(8)-(9)

Issued by: Nick Stavropoulos, Executive Vice President, Hicksville,
 NY