

PSC NO: 1 GAS LEAF: 17.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 05/06/08 SUPERSEDING REVISION:
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 12/21/07

GENERAL INFORMATION

II. Rules and Regulations (continued):

1--Definition of Terms (continued):

T - (continued)

Temperature Control (TC) Floor Price: is equal to the weighted average unit commodity cost of gas (excluding demand charges) of the most expensive supply sources not already allocated to the Interruptible Floor Price, that are projected to be dispatched during the Effective Month to serve the estimated sendout requirements of the Service Classification No. 12 customers.

Transition Costs: Transition costs are costs incurred by the Company from its interstate pipelines as a result of the implementation of Federal Energy Regulatory Commission (FERC) Order No. 636 and/or from customers transferring to non-core service or firm transportation service. These costs include, but are not limited to: unrecovered gas costs remaining from the pipeline's termination of sales service (Account 191), new facility costs incurred to implement FERC Order No. 636, gas supply realignment (GSR) and stranded facility costs, and stranded cost on the utility system from transfers to non-core service or to firm transportation service.

U

Unaccounted for Gas ("UFG"): 2.73% - computed by subtracting the losses established by contract for non-firm power generation customers from system losses, and then dividing the difference by all sendout except for those customers.

Uncollectible Expenses: Uncollectible expenses associated with gas supply are the product of the Uncollectible Rate and total gas costs.

Uncollectible Rate: 0.75% - is the rolling 12-month actual write-offs divided by the following 12-month actual billed sales including taxes.

Upstream: From a reference point, any point located nearer to the origin of flow than the reference point.

Utility Deficiency: Any action or inaction by the Company or one of its authorized agents that does not substantially conform to the Rules and Regulations of 16 NYCRR, the Company's tariff, or the Company's written business procedures.

W

Weighted Average Cost of Capacity ("WACOC"): the unitized weighted average cost of: a) the Company's Pipeline Transporters' Fixed Costs, excluding those pipeline transportation contracts used to deliver gas withdrawn from storage, and b) the fixed costs or basis premium of the Company's bundled city gate winter supply contracts.

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