

PSC NO: 1 GAS LEAF: 119.50
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
INITIAL EFFECTIVE DATE: 10/01/08 SUPERSEDING REVISION: 2
STAMPS: Issued in compliance with order in C. 07-M-0548 dated 06/23/08

GENERAL INFORMATION - Continued

System Benefits Charge

As of January 2008, and annually thereafter until the Commission orders otherwise, a System Benefits Charge (SBC) will recover costs associated with the Company's energy efficiency programs. Such costs, including program costs, lost revenue and performance-based incentives, are recoverable through the SBC pursuant to the Commission's Orders in Cases 06-G-1186 and 07-M-0548.

The Company will calculate the SBC by dividing the annual energy efficiency dollars, plus (minus) any over or undercollections from prior years, including carrying charges, by the projected volumes from the following firm service classifications: 1A, 1AR, 1B, 1BR, 1B-DG, 2A, 2B, 3, 5, 15, and 16.

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