

PSC NO: 1 GAS LEAF: 119.51
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
INITIAL EFFECTIVE DATE: 11/01/19 SUPERSEDING REVISION: 5
STAMPS: Issued in compliance with Order in Case 16-G-0058 dated 02/07/2019

GENERAL INFORMATION - Continued

Tax Reform Surcredit(TRS)

The Tax Reform Surcredit (TRS) reflects the tax benefits associated with the prospective changes beginning January 1, 2019 due to the change in the corporate federal income tax rate from 35 percent to 21 percent and the elimination of bonus depreciation. The surcredit will be calculated by allocating the amount of the change in cash flow from the tax change to customer service classes for firm sales, firm transportation, Non-Firm Demand Response sales and transportation, based on the percentage of delivery revenues for the respective service class.

The TRS will be included in the Delivery Rate Adjustment ("DRA") for customers served under SC 1, 2, 3, 5, 9, 15, 16 and 17. For customers served under SC 18 and 19, the TRS will be included in the delivery rates. The TRS will appear on the Statement of Tax Reform Surcredit to be filed not less than five (5) days prior to the effective date.

The Company will reconcile the actual credits provided to customers to the actual tax savings. The resulting over or under collection (adjusted for Pre-Tax WACC) will be divided by the projected annual sales to determine the per therm rate. The rate will appear on the TRS statement to be filed not less than five (5) days prior to the effective date.

Issued by: David B. Doxsee, Vice President, Hicksville, NY