

PSC NO: 1 GAS LEAF: 73
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
 INITIAL EFFECTIVE DATE: 05/06/08 SUPERSEDING REVISION: 4
 STAMPS:

GENERAL INFORMATION**III. Adjustments of Rates and Charges (continued):**

1--Adjustment of Rates in Accordance with Changes in the Cost of Gas and Pipeline Costs (continued):

F. Monthly Cost of Gas Imbalance Surcharge or Refund

A Monthly Cost of Gas Imbalance Surcharge or Refund will be implemented, as required, from October 1st through July 31st to minimize projected end of Gas Cost Year under-collections or over-collections of the Monthly Cost of Gas to sales customers taking service under SC 1, 2, 3, 9, 15, 16 and 17.

The Monthly Cost of Gas Imbalance Surcharge or Refund will be set forth on the Statement of Monthly Cost of Gas and Adjustments and filed with the Commission not less than two business days prior to the effective date.

G. Annual Cost of Gas Imbalance Surcharge or Refund

a) A surcharge or refund (adjusted for simple interest at the Commission's other customer capital rate) to surcharge Monthly Cost of Gas undercollections or refund Monthly Cost of Gas overcollections from sales customers served under SC 1, 2, 3, 15, 16, and 17 shall be computed as follows:

Compare:	1.	Total Actual Fixed Cost of Gas PLUS
	2.	Total Actual Commodity Costs PLUS
	3.	Total Actual Hedging Costs / Credits LESS
	4.	Total Actual Gas Credits
	to	5. Total Fixed Cost of Gas Recoveries PLUS
	6.	Total Commodity Cost of Gas Recoveries PLUS
	7.	Total Hedging Costs / Credits Recoveries, LESS
	8.	Total Gas Credit Recoveries PLUS
	9.	Total Imbalance Surcharge Recoveries or Refunds.

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