

PSC NO: 1 GAS LEAF: 119.52.1  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2  
INITIAL EFFECTIVE DATE: 01/31/17 SUPERSEDING REVISION: 1  
STAMPS: Issued in compliance with Order in C.16-G-0058 dated December 16, 2016

**GENERAL INFORMATION - Continued**

**Revenue Decoupling Mechanism continued:**

Actual Billed Delivery Service Revenues are defined as revenues from base delivery rates including consolidated billing charges and weather normalization adjustments for the applicable rate year, less revenue for TC and IT customers that migrate to firm service after January 1, 2017. The Actual Delivery Service Revenues will be adjusted to exclude any incremental customer growth above the sales forecast assumptions used to develop the Revenue Per Class targets, Business Incentive discounts and EJP discounts. The forecasted annual average number of customers for Service Classification Nos. 2A, 2B, 3A, 3B, 5-2A, 5-2B, 5-3A and 5-3B will be compared to the actual annual average number of customers within the applicable class groupings. The comparison for Service Classification Nos. 2A, 2B, 5-2A and 5-2B will be adjusted to remove any customer migration that occurs in the applicable rate year between Non-Heating and Heating. If the actual annual average number of customers exceeds the forecast number of customers after adjusting for customer migration, the difference will be multiplied by the applicable marginal cost rates and removed from the actual revenues used in the calculation of the over or under collection for the applicable class grouping.

The resulting shortfall or excess will be refunded or surcharged to customers in each of the following reconciliation groupings on a volumetric basis over the twelve month period commencing on May 1<sup>st</sup> of the following year.

1. Service Classification Nos. 2A, 2B, 5-2A & 5-2B
2. Service Classification Nos. 3A, 3B, 5-3A and 5-3B

The Company will file an annual RDM reconciliation and RDM Statement each March 15<sup>th</sup> following each rate year ending December 31. The RDM reconciliation will include the total surcharge/refund amount and unitized surcharge/refund rates. The unit rates will be calculated by dividing the total surcharge/refund by the current sales and transportation forecast for the applicable reconciliation grouping. This surcharge/refund factor will be shown on the Revenue Decoupling Mechanism Statement and become effective each May 1<sup>st</sup>. All refunds or surcharges will be subject to reconciliation at the end of the twelve month period.

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