

PSC NO: 1 GAS LEAF: 15.2
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION: 3
STAMPS: Issued in compliance with Order in C.16-G-0058 dated December 16, 2016

GENERAL INFORMATION**II. Rules and Regulations (continued):**

1--Definition of Terms (continued):

O (continued)

Operational Flow Order: Actions taken by the Company to control system operations.

P

Partial Gas Cost Year: January 1, 2008 through August 31, 2008.

Pipeline Transporters' and Storage Providers' Variable Charges: Variable tariff rates, fuel losses and other applicable variable charges known to be in effect during the upcoming month. Or if such charges are not known, those Variable Charges estimated to be in effect during the upcoming month.

Payment: A payment is considered to be made on the date it is received by the Company or one of its authorized agents.

Pool: A group of one or more customers to whom a Seller is selling gas, who are receiving transportation service pursuant to Service Classification No. 5, Service Classification No. 7 or Service Classification No. 13, whose gas usage is aggregated by the Seller for the purpose of providing service under this Service Classification.

Public Highway: The territorial limits of any street, avenue, road, or way that is for any highway purpose under the jurisdiction of the legislative body of any city, town, village, county or the State of New York.

Public Right-of-Way: The area within a Public Highway which may be used for the placement of access of Company facilities.

R

Receipt Point (for customer-owned gas): The Company's City Gate(s) or the points of delivery between the interstate pipelines providing service to the New York Metropolitan area and the New York Facilities System, which point is used by "Brooklyn Union" and others.

Return on Gas in Storage: The Return Requirement Percentage multiplied by the 12-month average storage inventory balance.

Return on Working Capital: The Return Requirement Percentage multiplied by (1) the Lead-Lag Percentage and (2) total gas costs.

Return Requirement Percentage: The weighted average cost of capital, or the Company's expected rate of return on investment.

Effective January 1, 2017: 9.35%

Effective January 1, 2018: 9.35%

Effective January 1, 2019: 9.33%

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