

PSC NO: 1 GAS LEAF: 70
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 11
INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION: 9
STAMPS: Issued in compliance with Order in C.16-G-0058 dated December 16, 2016

GENERAL INFORMATION - Continued

B. Applications of the Statement of Monthly Cost of Gas and Adjustments

1. The application of the Statement of Monthly Cost of Gas and Adjustments will:
 - a) Begin with meter readings taken on and after the effective date of the current statement, and
 - b) Shall continue in effect until changed on a later statement.

C. **The Monthly Cost of Gas**

Pursuant to the Commission's October 28, 2005 Order in Case 05-G-0903, gas is purchased on a combined basis for the Company and KEDNY (collectively, "the Companies"). The Monthly Cost of Gas will be determined based upon the Company's allocated share of commodity and fixed gas costs and computed as the sum of the: 1) Average Commodity Cost of Gas; 2) Average Monthly Hedging Costs / Credits and 3) Average Fixed Cost of Gas Less; 4) Average Fixed Cost Credits multiplied by; 5) the Factor of Adjustment.

1. **Average Commodity Cost of Gas**

In advance of each month the Company will determine the Average Commodity Cost of Gas applicable to Combined Firm sales Class based on the Monthly forecasted Firm and TC Dispatch of the Companies:

- a) The Total Commodity Cost of Gas will be computed by:
 - 1) Multiplying the Suppliers' and Pipeline Transporters' Variable Charges by the quantities of gas supply projected to be purchased and delivered to the city gate under the Combined Monthly Forecasted Firm and TC Dispatch, **PLUS**
 - 2) Multiplying the sum of: 1) the average unit commodity cost of gas in storage at the date of computation and 2) the Storage Providers' Variable Charges; by 3) the quantities of storage projected to be withdrawn and delivered to the city gate under the Combined Monthly Forecasted Firm and TC Dispatch, **PLUS**
 - 3) All other allowable variable fees and charges associated with the dispatch of gas.
- b) The Average Commodity Cost of Gas will be computed by dividing the Total Commodity Cost of Gas determined in C.1.a above by the Combined Monthly Forecasted Firm and TC Sendout.

2. **Average Monthly Hedging Costs / Credits**

In advance of each month, the Company will compute the Average Monthly Hedging Costs / Credits applicable to sales customers served under SC 1, 2, 3, 9, 15, 16 and 17 by dividing the Companies' combined Risk Management Costs / Credits for the upcoming month by Combined Monthly Forecasted Firm Sendout.

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