

PSC NO: 1 GAS LEAF: 16
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 9
INITIAL EFFECTIVE DATE: 11/01/14 SUPERSEDING REVISION: 7
STAMPS:

GENERAL INFORMATION

II. Rules and Regulations (continued):

1--Definition of Terms (continued):

R (continued)

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. This rate is currently 11.52%.

Rules and Regulations: Provisions contained herein and such other requirements governing the Applicant's or Customer's (or their agents) installation as contained in "Rules and Regulations for Gas Installations", a booklet issued by the Company.

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Seasonal Customer: A customer who applies for and receives gas service periodically each year, intermittently during the year, or at other irregular intervals.

Seasonal Delivery Service: A service whereby the Company permits a firm transportation customer to deliver a portion of the estimated usage between November 1 and March 31 during the period April 1 through October 31, under Service Classification No. 5.

Seller: Seller is either an eligible Customer that chooses to purchase natural gas on the customer's own behalf or a supplier of natural gas on behalf of a firm or non-firm transportation customer(s) taking service under service classification Nos. 5, 7, 13 or 14.

Seller Agreement: An agreement executed by a qualified seller pursuant to Service Classification No. 8.

Seller's Base Component: The non-temperature sensitive related sales reflected in dekatherms per day of the Seller's Pool of transportation customers served under SC 5.

Seller's Slope Component: The temperature sensitive related sales reflected in dekatherms per Heating Degree Day of the Seller's Pool of transportation customers served under SC 5.

Service Agreement: An agreement executed pursuant to Service Classification No. 5 by an eligible Customer that chooses to purchase natural gas from a qualified seller.

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