

PSC NO: 1 GAS LEAF: 14
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 9
INITIAL EFFECTIVE DATE: 09/01/14 SUPERSEDING REVISION: 8
STAMPS:

GENERAL INFORMATION**II. Rules and Regulations (continued):****1--Definition of Terms (continued):**E (continued)

Energy Service Company (ESCO): An entity eligible to sell natural gas to the Company's transportation customers served under Service Classification Nos. 5, 7 and 14. ESCOs may also sell other energy supplies and energy related services to customers.

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Factor of Adjustment: 1.028 - computed as the constant 1.0 divided by the difference between the constant 1.0 and UFG.

Firm Customer: A customer offered service under schedules or Contracts designed to provide customer's gas supply or transportation needs on a continuous basis.

G

Gas Cost Year: the twelve months beginning each September 1 and ending on August 31.

Gas Supply-Related Costs: the sum of the following costs: (1) Gas Procurement and Commodity-Related Sales Promotion Expenses, (2) Commodity-Related Credit and Collection Expenses, (3) Uncollectible Expenses Associated with Gas Costs, and (4) Return Requirement on Gas Purchase-Related Working Capital.

Gas Supply Management Arrangement: a transaction where the Company releases or assigns all or a part of the Company's capacity rights to a third party as part of a comprehensive agreement. Under such an arrangement, the third party satisfies all or a portion of the gas supply and/or transportation and related service requirements of identified sales and/or transportation customers as may be agreed to between the Company and any such third party or as may be required by the Commission.

GTOP Manual: Gas Transportation Operating Procedures Manual issued in compliance with Order in Case 97-G-1380 issued December 21, 1999 that describes the operating procedures associated with the Company's firm, interruptible and temperature controlled transportation service.

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Interruptible Floor Price: is equal to the weighted average unit commodity cost of gas (excluding demand charges) of the most expensive gas supply sources projected to be dispatched during the upcoming month to serve the estimated sendout requirements of the SC 4 sales customers.

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KEDNY: The Brooklyn Union Gas Company d/b/a/ National Grid NY.

KEDNY's Annual Forecasted Firm Sendout: KEDNY's estimated firm customer requirements during the Gas Cost Year which are the sum of: (1) the estimated sales to sales customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 plus, (2) KEDNY's estimated quantities of Tier 2 Bundled Winter Sales, Tier 3 Virtual Storage Service and balancing services to be delivered to transportation customers served under SC 17. All of the above quantities are to be multiplied by KEDNY's Factor of Adjustment.

Issued by: William J. Akley, President, Hicksville, NY