PSC NO: 1 GAS LEAF: 70.1 COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0 INITIAL EFFECTIVE DATE: 09/01/14 SUPERSEDING REVISION: STAMPS:

GENERAL INFORMATION - Continued

5. Monthly Cost of Gas by Service Classification

The rates for gas service for the following Service Classifications shall include each month the Monthly Cost of Gas determined as follows:

 a) SC 1, 2, 3, 15, 16 and 17 Sales Customers The Monthly Cost of Gas shall equal the sum of the: 1) Average Commodity Cost of Gas determined in Rule III.1.C.1; 2) Average Monthly Hedging Costs / Credits determined in Rule III.1.C.2; and 3) Average Fixed Cost of Gas determined in Rule III.1.C.3, Less; 4) Average Fixed Cost Credits determined in Rule III.1.C.4, multiplied by: 5) the Factor of Adjustment.

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