PSC NO: 1 GAS   LEAF: 69.1
COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 01/01/15   SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Order in Case 14-G-0163 dated 12/16/14
                         GENERAL INFORMATION

      d. Merchant Function Charge
         Determined in accordance with Rule III.1.F.

      e. Annual Merchant Function Charge Imbalance Surcharge or (Refund)
         The sum of the Annual Gas Supply-Related Cost Surcharge or Refund
         determined in accordance with Rule III.1.I and the Annual Return
         Requirement on Gas in Storage Surcharge or Refund determined in
         accordance with Rule III.1.J.

      f. Total Adjustments
         The sum of A.6.a, through A.6.e above.

    7. Monthly Cost of Gas and Adjustments
       The sum of A.5.b, and A.6.f above.

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 sales customers served under SC
      1, 2. 3, 12, 15, 16 and 17 based on the Monthly forecasted Firm and
      TC Dispatch:

      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
            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 Monthly Forecasted Firm and TC
            Dispatch, **PLUS**

        3)   All other allowable variable fees and charges associated
            with the dispatch of gas.

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