

PSC NO: 1 GAS LEAF: 70.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
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 - Continued

4. **Average Fixed Cost Credits (continued)**

- c) Average Fixed Cost Credits will be computed for each of the following customer groups
- 1) SC 1, 2, 3, 15, 16 and 17 Sales Customers
Divide the Annual Fixed Cost Credits allocated to these sales customers by: 1) annual forecasted SC 1, 2, 3, 15, 16 and 17 sales and then divide by; 2) the Factor of Adjustment.
 - 2) ESCOs participating in the Company's Mandatory Capacity Program pursuant to SC 8
Divide the Annual Fixed Cost Credits allocated to the ESCOs by: 1) annual forecasted SC 5 transportation volumes and then divide by; 2) the Factor of Adjustment.

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