

PSC NO: 1 GAS LEAF: 119.50
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 10
 INITIAL EFFECTIVE DATE: 01/01/12 SUPERSEDING REVISION: 9
 STAMPS: Issued in compliance with order in C. 06-G-1186 dated 12/21/07

GENERAL INFORMATION - Continued

Delivery Rate Surcharge

The Company shall develop a volumetric delivery rate surcharge for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2A, 2B, 3A, 3B, 5, 9, 10, 15, 16, and 17. This surcharge was calculated based upon the percentage of each of the aforementioned service classification's contribution to total firm delivery revenues. Revenue from the delivery rate surcharge will be deferred and bear interest pursuant to the Commission's Orders in Case 06-G-1186.

The surcharges effective January 1, 2012 are listed below:

	<u>\$/therm</u>
SC 1A, 1AR, 5-1A, 5-1AR	\$0.1182
SC 1B, 1BR, 1B-DG, 5-1B, 5-1BR	\$0.0523
SC 2A, 5-2A	\$0.0446
SC 2B, 5-2B	\$0.0346
SC 3A, 3B, 5-3A, 5-3B	\$0.0204
SC 9, SC 10, 5 (807)	\$0.0448
SC 15, 5-15	\$0.0123
SC 16, 5-16	\$0.0183
SC 17, 5-17	\$0.0141

System Benefits Charge

As of January 2008, and annually thereafter until the Commission orders otherwise, a System Benefits Charge (SBC) will recover costs associated with the Company's energy efficiency programs. Such costs, including program costs and lost revenue, are recoverable through the SBC pursuant to the Commission's Orders in Case 06-G-1186. Effective January 1, 2010, lost revenues will not be recovered for Service Classification Nos. 1B, 1BR, 1B-DG, 5-1B and 5-1BR.

The Company will calculate the SBC by dividing the annual energy efficiency dollars, plus (minus) any over or undercollections from prior years, including carrying charges, by the projected volumes from the following firm service classifications: 1A, 1AR, 1B, 1BR, 1B-DG, 2A, 2B, 3A, 3B, 5, 15, and 16.

The SBC will appear on the Statement of System Benefits Charge. Except for the Statement of System Benefits Charge filed to be effective January 1, 2010, the Statement of System Benefits Charge will be filed on no less than 15 days notice.

Delivery Rate Adjustment

The Delivery Rate Adjustment (DRA) will apply to all customers being served under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2A, 2B, 3A, 3B, 5, 9, 10, 15, 16 and 17. The DRA will appear as a separate line item on the customer's bill.

The DRA will consist of a weather normalization adjustment applicable to certain heating customers (as explained on Leaf Nos. 78 and 79) and a delivery rate surcharge (as explained above).

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