PSC NO: 1-GAS COMPANY: KEYSPAN GAS EAST CORPORATION INITIAL EFFECTIVE DATE: 09/01/2012

STATEMENT TYPE: GAC

STATEMENT NO: 163

STATEMENT OF GAS AND PIPELINE COSTS AND ADJUSTMENTS Applicable to usage under Service Classification Nos. 1, 2, 3, 15, 16, 17 (Issued under authority of 16 NYCRR 270.57)

Applicable to Service Classification Nos.	1, 2, 3, 15, 16, 17 <u>¢ per therm</u>
1. Weighted Average Unitized Commodity Cost of Gas	27.1556
2. Weighted Average Unitized Fixed Costs	29.2961
 Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses) 	56.4517
4. Unitized Fixed Cost Credits	(18.0092)
 5. Weighted Average Unitized Cost of Gas including Fixed Cost Credits (3 + 4) a) Before losses b) After 2.73% losses 	38.4425 39.5227
 6. Adjustments a) Monthly Cost of Gas Imbalance Surcharge or (Refund) b) Annual Cost of Gas Imbalance Surcharge or (Refund) for the period March 01, 2012 through December 31, 2012 referable to the twelve months ending August 31, 2011 c) Pipeline Refund Provision d) Research & Development Charge e) Merchant Function Charge (Effective September 1, 2012 to August 31, 2013) f) Annual Merchant Function Charge Imbalance Surcharge or (Refund) for the period March 01, 2012 through December 31, 2012 referable to the twelve months ending August 31, 2011 	0.0000 (0.1560) 0.0000 0.1000 2.3280 (0.6720)
Total adjustments	1.6000
 Total Unitized Cost of Gas (5 + 6) 	41.1227

Issued by:William J. Akley, President, Hicksville, NY KeySpan Gas East Corporation

Computation Date: August 30, 2012