

PSC NO: 1-GAS
COMPANY: KEYSpan GAS EAST CORPORATION
INITIAL EFFECTIVE DATE: 02/01/2012

STATEMENT TYPE: GAC
STATEMENT NO: 156

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 ¢ per therm |
|--|--|
| 1. Weighted Average Unitized Commodity Cost of Gas | 43.3493 |
| 2. Weighted Average Unitized Fixed Costs | 27.3497 |
| 3. Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses) | 70.6990 |
| 4. Unitized Fixed Cost Credits | (18.3901) |
| 5. Weighted Average Unitized Cost of Gas including Fixed Cost Credits (3 + 4) | |
| a) Before losses | 52.3089 |
| b) After 2.73% losses | 53.7788 |
| 6. Adjustments | |
| a) Monthly Cost of Gas Imbalance Surcharge or Refund | 0.0000 |
| b) Annual Cost of Gas Imbalance Surcharge or Refund for the period January 01, 2012 through December 31, 2012 referable to the twelve months ending August 31, 2011 | (0.7550) |
| c) Pipeline Refund Provision | (0.1962) |
| d) Research & Development Charge | 0.1000 |
| e) Merchant Function Charge (Effective through August 31, 2012) | 2.7462 |
| f) Annual Merchant Function Charge Imbalance Surcharge or Refund for the period January 01, 2012 through December 31, 2012 referable to the twelve months ending August 31, 2011 | (0.6820) |
| Total adjustments | 1.2130 |
| 7. Total Unitized Cost of Gas (5 + 6) | 54.9918 |

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

Computation Date: January 30, 2012