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PSC NO: 1-GAS **STATEMENT TYPE: GAC** COMPANY: KEYSPAN GAS EAST CORPORATION STATEMENT NO: 137

INITIAL EFFECTIVE DATE: 07/01/2010

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> |
|--|--|
| Weighted Average Unitized Commodity Cost of Gas | 49.1865 |
| 2. Weighted Average Unitized Fixed Costs | 24.5703 |
| Weighted Average Unitized Cost of Gas (1 + 2; Gross, before losses) | 73.7568 |
| 4. Unitized Fixed Cost Credits | (8.7583) |
| 5. Weighted Average Unitized Cost of Gas including Fixed Cost Credits (3 + 4) a) Before losses b) After 2.73% losses | 64.9985 66.8250 |
| 6. Adjustments a) Monthly Cost of Gas Imbalance Surcharge or Refund b) Annual Cost of Gas Imbalance Surcharge or Refund for the period April 01, 2010 through December 31, 2010 referable to the twelve months ending August 31, 2009 c) Pipeline Refund Provision d) Research & Development Charge e) Capacity Release Surcharge Adjustment f) Merchant Function Charge g) Annual Merchant Function Charge Imbalance Surcharge or Refund for the period April 01, 2010 through December 31, 2010 referable to the twelve months ending August 31, 2009 | 5.0000 (0.1850) 0.0000 0.0250 (1.1070) 3.0210 (0.7555) |
| Total adjustments | 5.9985 |
| 7. Total Unitized Cost of Gas (5 + 6) | 72.8235 |

Issued by Nickolas Stavropoulos, Executive Vice President, Hicksville, NY KeySpan Gas East Corporation

Computation Date: June 28, 2010