PSC NO: 1 GAS KEYSPAN GAS EAST CORPORATION INITIAL EFFECTIVE DATE: 10/07/16

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STATEMENT OF SELLER CHARGES AND ADJUSTMENTS Applicable to Customers Under Service Classification No. 8 and Electric Generators Under Service Classification Nos. 7 and 14 For the Period September 01, 2016 - September 30, 2016

Swing Service Demand Charge

Monthly Balanced Non Core Transportation	Load Factor	\$ / dth
Applicable to Sellers that serve SC 7 and SC 13 customers	0-50%	\$0.40
(excluding Electric Generators)	51-100%	\$0.15
Daily Balancing Service Demand Charge		
A. Daily Balanced Non Core Transportation		<u>\$ / dth</u>
Applicable to Sellers participating in the Company's Daily Balancing		\$0.02
Program that serve SC 7 and SC 13 customers (excluding Electric Generators)		
D. Electric Constant New Const Transportation		¢0.01
B. <u>Electric Generator Non Core Transportation</u> Applicable to Electric Generators or Sellers that serve Electric		\$0.01
Generators, taking service under SC 7 or SC 14		
Unitized Fixed Cost Credits		\$ / dth
Applicable to Sellers Serving SC 5 Customers (After 2.73% Losses)		(\$0.28)
Daily Cash Out Prices		
A. Core Monthly Balancing Program		
Applicable to Sellers serving Monthly Balanced SC 5 Customers		
The simple average of the following interstate pipeline gas prices for the date	of	
flow published in Platt's Gas Daily Price Guide, Daily Price Survey:		
Transce Transce Zone 6 NV mid point price		
Transco - Transco Zone 6 NY mid-point price Texas Eastern - Texas Eastern M3 mid-point price		
Iroquois - Iroquois Zone 2 mid-point price		
B. <u>Non-Core Monthly Balancing Program</u>		
Applicable to Sellers serving Monthly Balanced SC 7 and SC 13 Customers		
The Transco Zone 6 NY mid-point price for the date of flow published in Plat	t's	
Gas Daily Price Guide, Daily Price Survey.		
C. Daily Balancing Program		
Applicable to Sellers serving Daily Balanced SC 7 and SC 13 Customers		
A weighted average price determined for each Seller proportionate to the amo gas that the Seller delivers on each interstate pipeline to the Company's city ga		
gas that the Sener derivers on each merstate pipeline to the Company's city ga		
The interstate pipeline gas prices used to compute the Daily Cash Out Price ar	e obtained	
from Platt's Gas Daily Price Guide, Daily Price Survey for the date of flow as	follows:	
Transco - Transco Zone 6 NY mid-point price		
Texas Eastern - Texas Eastern M3 mid-point price		
Iroquois - Iroquois Zone 2 mid-point price		
Tennessee - Texas Eastern M3 mid-point price		

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

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STATEMENT OF SELLER CHARGES AND ADJUSTMENTS Applicable to Customers Under Service Classification No. 8 For the Period September 01, 2016 - September 30, 2016

Daily Cash Out Penalties:	<u>\$ / dth</u>
Applicable to Sellers participating in either the Company's Core or Non-Core Monthly Balancing Program	
City Gate Balancing Penalty Charge	\$10.00
Operational Flow Order ("OFO") Penalty Charge	\$25.00
Monthly Cash Out Prices	
 A. <u>Core Monthly Balancing program</u> Applicable to Sellers serving Monthly Balanced SC 5 Customers The simple average of the Daily Cash Out Prices in effect during the month. 	
B. <u>Non-Core Monthly Balancing Program</u> Applicable to Sellers serving Monthly Balanced SC 7 and SC 13 Customers	
The Transco Zone 6 Index published at the start of each month in Platt's Gas Daily Price Guide, Market Center Spot Gas Prices for the Northeast.	
C. <u>Daily Balancing Program</u> Applicable to Sellers serving Daily Balanced SC 7 and SC 13 Customers	
Determined for each Seller based on the simple average of the Daily Cash Out Prices in effect during the month.	
Mandatory Capacity Program:	<u>\$ / dth</u>
Applicable to Sellers participating in either the Company's Mandatory Capacity Program	
Tier 1 - Pipeline Capacity Release Weighted Average Cost of Capacity ("WACOC")	\$0.9350
Tier 2 - Retail Access Storage Price Demand Price Commodity Price	N/A N/A
Tier 3 - Peaking Service A per dekatherm commodity price determined in accordance with Leaf No. 159.4.	N/A
Tier 2 and Tier 3 services are only applicable from November through April	

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STATEMENT OF SELLER CHARGES AND ADJUSTMENTS Applicable to Customers Under Service Classification No. 8 For the Period September 01, 2016 - September 30, 2016

Merchant Function Charges	<u>\$ / dth</u>
Applicable to Sellers Participating in the Purchase of Receivables ("POR") Program	
Commodity Related Credit and Collection Expenses	\$0.0299
Commodity Related Credit and Collection Expenses Annual Imbalance Refund (March 1, 2016 Through December 31, 2016)	(\$0.0029)
Unaccounted For Gas ("UFG")	2.73%

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