

KEYSPAN GAS EAST CORP. d/b/a BROOKLYN UNION OF L.I.

Service Class	Delivery Revenues <sup>1</sup> (\$000)	% Allocation	Dollars Allocation <sup>2</sup>			
			(Jan 19 - Dec 19) Therms	Unit Rate \$/Therm		
SC-1A Res Non Heat	\$ 39,517	5.4%	\$ (1,722,774)	20,432,939	\$	(0.0843)
SC-1B Res Heat	\$ 460,219	63.4%	\$ (20,063,604)	587,270,695	\$	(0.0342)
SC-1-DG Res DG	\$ 3	0.0%	\$ (131)	7,337	\$	(0.0178)
SC-2-A GS Non Heat	\$ 49,769	6.9%	\$ (2,169,718)	95,618,498	\$	(0.0227)
SC-2-B GS Heat	\$ 137,829	19.0%	\$ (6,008,762)	223,678,772	\$	(0.0269)
SC-3 Multi Family Heat & Non Heat	\$ 19,977	2.8%	\$ (870,913)	52,725,108	\$	(0.0165)
SC-4-Interrup Sales	\$ 915	0.1%	\$ (39,890)	4,309,148	\$	(0.0093)
SC-7 Interruptible Trans	\$ 64	0.0%	\$ (2,790)	41,151	\$	(0.0678)
SC-9 Wholesale NGV	\$ 7,097	1.0%	\$ (309,399)	6,220,035	\$	(0.0497)
SC-12 TC Sales	\$ 1,145	0.2%	\$ (49,917)	4,947,659	\$	(0.0101)
SC-13 TC Transp	\$ 120	0.0%	\$ (5,231)	500,585	\$	(0.0105)
SC-15 HLF Service	\$ 2,054	0.3%	\$ (89,546)	19,888,347	\$	(0.0045)
SC-16 Yr Round Space	\$ 7,661	1.1%	\$ (333,987)	28,074,641	\$	(0.0119)
SC-17 Sales	\$ 9	0.0%	\$ (392)	65,444	\$	(0.0060)
Total	\$ 726,379	100%	\$ (31,667,056)	1,043,780,358		

Notes:

1: Case 16-G-0058, Appendix 4, Schedule 3, RY 3 Billed Delivery Revenues

2: See Page 2 for total tax savings

## KeySpan Gas East Corporation

Attachment 1

Page 2

		Original		Revised (1)	
	Final Settlement	After Tax Change	Net Change	After Tax Change (Revised)	Net Change from Final Settlement (Revised)
	<u>RY 3</u>	<u>RY 3</u>	<u>RY 3</u>	<u>RY 3</u>	<u>RY 3</u>
Operating Revenues	\$ 1,084,339	\$ 1,054,450	\$ (29,889)	\$ 1,052,672	\$ (31,667.056)
Deductions					
Purchased Power Costs	285,241	285,241	0	285,241	0
Revenue Taxes	11,714	11,387	(327)	11,368	(346)
Total Deductions	<u>296,955</u>	<u>296,628</u>	<u>(327)</u>	<u>296,609</u>	<u>(346)</u>
Gross Margin	<u>787,384</u>	<u>757,822</u>	<u>(29,562)</u>	<u>756,063</u>	<u>(31,321)</u>
Total Operation & Maintenance Expenses (1)	296,921	296,221	(700)	296,218	(703)
Amortization of Regulatory Deferrals	0	0	0	0	0
Depreciation, Amort. & Loss on Disposition	76,052	76,052	0	76,052	0
Taxes Other Than Revenue & Income Taxes	163,735	163,735	0	163,735	0
Total Operating Revenue Deductions	<u>536,707</u>	<u>536,007</u>	<u>(700)</u>	<u>536,004</u>	<u>(703)</u>
Operating Income Before Income Taxes	<u>250,677</u>	<u>221,815</u>	<u>(28,862)</u>	<u>220,059</u>	<u>(30,618)</u>
Income Taxes					
Federal Income Taxes	62,668	31,759	(30,909)	31,507	(31,161)
State Income Taxes	15,617	13,092	(2,525)	12,984	(2,633)
Total Income Taxes	<u>78,285</u>	<u>44,851</u>	<u>(33,434)</u>	<u>44,491</u>	<u>(33,794)</u>
Operating Income After Income Taxes	<u>\$ 172,392</u>	<u>\$ 176,964</u>	<u>\$ 4,572</u>	<u>\$ 175,568</u>	<u>\$ 3,176</u>
Rate Base	<u>\$ 2,693,617</u>	<u>\$ 2,765,060</u>	<u>\$ 71,442</u>	<u>\$ 2,743,248</u>	<u>\$ 49,630</u>
Rate of Return	<u>6.40%</u>	<u>6.40%</u>	<u>0.00%</u>	<u>6.40%</u>	<u>6.40%</u>
Return On Equity	<u>9.00%</u>	<u>9.00%</u>	<u>0.00%</u>	<u>9.00%</u>	<u>9.00%</u>

(1) The revised calculation reflects an update for bonus depreciation impacts. The original assumption was that bonus depreciation ended for public utilities in September 2017. Based on IRS Notice of Proposed Rulemaking regarding additional first year depreciation deduction issued in August 2018, the revision reflects bonus depreciation through March 2018.