

PSC NO: 1 GAS LEAF: 71
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
INITIAL EFFECTIVE DATE: 11/19/10 SUPERSEDING REVISION: 6
STAMPS: Issued in compliance with order in C. 10-G-0251 dated 10/20/2010

GENERAL INFORMATION - Continued**III. Adjustments of Rates and Charges (continued):**

1--Adjustment of Rates in Accordance with Changes in the Cost of Gas and Pipeline Costs (continued):

D. Monthly Transportation Costs for Service Classification No. 5 Customers:

E. Adjustments for Refunds from Pipelines

1. Refunds received from pipelines will be:

- a) Credited over a 12-month period to Service Classification Nos. 1, 2, 3, 15, 16 and 17 with interest set by the Commission, through adjustments to the cost of gas or pipeline charges shown on Statement of Gas and Pipeline Costs and Adjustments. Firm transportation customers provided service under Service Classification No. 5 will be credited the refund as an adjustment to the Statement of Transportation Adjustment Charges.
- b) Allocated to Service Classifications on the basis of forecasted sales or transported quantities for the next 12-month period, and
- c) Reconciled, when concluded, on or before August 31 of each year, with differences applied to the Annual Adjustment computation described in 1.2 and 3 below.

Issued by: Nick Stavropoulos, Executive Vice President, Hicksville, NY