

PSC NO: 1 GAS LEAF: 72.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 11/03/06 SUPERSEDING REVISION:
STAMPS:

GENERAL INFORMATION**G. Unbundled Supply Rate**

On the rate effective date and continuing until the Commission approval of a replacement rate, a credit of \$.049/dekatherm will be applied to any firm transportation service customer's bill except customers taking service under Service Classification No 17. This credit will consist of reduced or avoided costs regarding gas supply procurement functions, credit and collection costs allocated to supply and sales promotion expense allocated to supply. This credit will appear on the Statement of Gas and Pipeline Costs and Adjustments.

The Company may recover lost revenue arising from the Unbundled Supply Rate from the Transition Balancing Account ("TBA"), which Account is referenced in and will survive the expiration of the Gas Restructuring Joint Proposal approved by the Commission on May 23, 2002 in Case 99-G-1469. The amount of lost revenue to be recovered will be reduced by any applicable avoided costs. On an annual basis, the Company will provide to Commission Staff a report of applicable avoided costs and a report of the balance of the TBA, showing funds added to and costs recovered from the TBA.

Issued by Joseph F. Bodanza, Senior Vice President, Hicksville, NY