

PSC NO: 1 GAS LEAF: 14  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4  
INITIAL EFFECTIVE DATE: 11/03/06 SUPERSEDING REVISION: 3  
STAMPS:

## GENERAL INFORMATION

### II. Rules and Regulations (continued):

#### 1--Definition of Terms (continued):

##### F

Firm Customer: A customer offered service under schedules or Contracts designed to provide customer's gas supply or transportation needs on a continuous basis.

##### G

Gas Cost Year: the twelve months beginning each September 1 and ending on August 31.

Gas-Related Costs: the sum of (1) Uncollectible Expenses, plus (2) the Return on Working Capital, plus (3) the Sales Customer share of the Return on Gas in Storage.

##### H

Hedging Costs / Credits: Risk Management Costs and gains and losses resulting from transactions undertaken to manage volatility in gas commodity prices.

##### L

Late Payment: Payment made more than 20 calendar days after the date payment is due. The due date for payment is specified by the Company on its bill, and is not earlier than the personal delivery date of the bill or earlier than three calendar days after the mailing of the bill. If Billing Agency arrangement exists refer to Uniform Business Practices for Retail Access section IX.B.5.

Lead - Lag Percentage: the percentage derived by dividing the average number of days associated with the lag on customer payments for gas costs that is not offset by the lead on purchased gas expense divided by the number of days in the year.

Levelized Payment or Balanced Billing Plan: A billing plan designed to reduce fluctuations in a Customer's bill due to varying, but predictable usage. These plans are covered in 16 NYCRR parts 11.11 and 13.10.

Load Factor: The ratio of a customer's weather-normalized average daily usage, based upon the customer's calculated Monthly Delivered Quantities (MDQs), for the months of April through October, inclusive, to the customer's weather normalized highest average daily usage based upon the customer's calculated MDQs, by month for the months of November through March, inclusive.

Load Factor Adjustment: A reduction to firm transportation rates under Service Classification No. 5 based on a customer's load factor as calculated by the Company.

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