

PSC NO: 1 GAS LEAF: 70
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4
 INITIAL EFFECTIVE DATE: 01/01/08 SUPERSEDING REVISION: 2
 STAMPS: Issued in compliance with order in Case 06-G-1186 dated 12/21/07

GENERAL INFORMATION - Continued

4. **Projected Unitized Gas Cost Credits per therm** for Service Classification Nos. 1, 2, 3, 15, 16, and 17 shall be computed in advance of the Gas Cost Year as follows:
- a) Service Classification No. 12 projected billed sales for the upcoming Gas Cost Year multiplied by 4.60 cents per therm, **PLUS**
 - b) Off-system Revenue Credits Service projected for the upcoming Gas Cost Year, **PLUS**
 - c) Marketer Capacity Program Credits projected for the upcoming Gas Cost Year, **PLUS**
 - d) Transportation revenues projected to be realized from power generation customers served under Service Classification Nos. 7 and 14 for the upcoming Gas Cost Year, **PLUS**
 - e) Standby Demand Charge credits projected to be received from marketers serving transportation customers under Service Classifications No. 5 for the upcoming Gas Cost Year, **PLUS**
 - f) LIPA Power Plant Transportation Credits
 - g) Projected Annual Gas Cost Credits = (a) + (b) + (c) + (d) + (e) + (f)
 - h) Projected Unitized Gas Cost Credits per therm = (g) divided by Company's Annual Forecasted Firm Sales and divided by the Factor of Adjustment
5. The Monthly Cost of Gas for Service Classification Nos. 1, 2, 3, 15, 16, and 17 = (1)±(2)+(3)-(4).

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