

..DID: 7410  
..TXT: PSC NO: 1 GAS LEAF: 73  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0  
INITIAL EFFECTIVE DATE: 03/18/99 SUPERSEDING REVISION:  
STAMPS:  
Effective date postponed to 07/01/99. See Supplement No. 2, 1, 1  
RECEIVED: 02/16/99 STATUS: Effective EFFECTIVE: 07/01/99

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

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

- iv) The difference will not exceed twenty (20) cents per DTH.
- 2) Annual Adjustment: An annual adjustment to the cost of gas is intended to equate the cost of gas to the Company with its recovery from Service Classification Nos. 1, 2, and 3 Customers for the 12-month period ending August 31.
  - a) The total difference for the annual adjustment is:
    - I) The actual booked cost of gas for Firm Customers for the 12-months ending August 31, less
      - ii) Cost recovered from Service Classification No. 5, Firm Transportation Service, less
      - iii) Total gas cost recoveries from Firm Customers noted in I) above, plus
      - iv) Reconciled supplier refunds, plus
      - v) Prior annual period's reconciled difference, plus
      - vi) The estimated interest on the difference to be surcharged or refunded.
    - b) The annual differences between gas cost and its recovery will be divided by the projected sales from Service Classification Nos. 1, 2, and 3 for the next 12-month period and included on Statement of Gas and Pipeline Costs and Adjustments.
    - c) The annual adjustment computation shall be filed with the Commission on or before October 15, and the surcharge or refund will take effect on the first billing cycle in December.
  - 3) Annual Adjustment - Transportation Service: An annual adjustment to the cost of gas if intended to equate the cost of gas, excluding commodity costs, to the Company with its recovery from Service Classification No. 5 Customers for the 12-month period ending August 31.
    - a) The total difference for the annual adjustment is:
      - I) The actual booked cost of gas, excluding commodity costs, for the 12-month period ending August 31 allocated to Service Classification No. 5, Firm Transportation Service, less

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY