

PSC NO: 1 GAS LEAF: 70.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 11/01/19 SUPERSEDING REVISION: 3
STAMPS: Issued in compliance with Order in Case 16-G-0058 dated 02/07/2019

GENERAL INFORMATION - Continued

3. Average Fixed Cost of Gas

- a) In advance of each Gas Cost Year, and updated during the year if appropriate, the Company will estimate the Annual Fixed Cost of Gas for the Company and KEDNY on a combined basis as follows:
- 1) Multiply the estimated fixed rates and charges of the gas supply, Pipeline Transportation and Storage capacity contracts help by the Company and KEDNY by the applicable billing determinants. **PLUS**
 - 2) Any other projected fixed charges applicable to the procurement of gas for the upcoming Gas Cost Year.
- b) The System Average Fixed Cost of Gas will be computed by dividing: 1) the Annual Fixed Cost of Gas determined above. adjusted to account for fixed gas costs not allocated to ESCOs by the sum of; 2) the Company's Annual Forecasted Firm and Non-Firm Demand Response Sendout and 3) KEDNY's Annual Forecasted Firm and Non-Firm Demand Response Sendout.
- c) The Average Fixed Cost of Gas for each of the following customer groups will be computed as follows:

1) Combined Firm Sales Class

Subtract from the Annual Fixed Cost of Gas determined above: 1) the annual fixed gas costs attributable to the Combined High Load Factor Sales Class,, Combined Non-Firm Demand Response Sales Class, Combined Wholesale NGV Sales Class and Combined Year Round Space Conditioning Class 2) a forecast of demand costs attributable to transportation customers served by ESCOs based on prior year load factors and divide by the sum of; 2) the annual forecasted sales volumes for KEDNY's SC 1, 2, 3, and 21 customers and 3) the Company's SC 1, 2, 3, 9 and 17 and divide by: 4) the Factor of Adjustment.

Issued by: David B. Doxsee, Vice President, Hicksville, NY