

PSC NO: 1 GAS LEAF: 119.52.2  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7  
INITIAL EFFECTIVE DATE: 11/01/19 SUPERSEDING REVISION: 5  
STAMPS: Issued in compliance with Order in Case 16-G-0058 dated 02/07/2019

**GENERAL INFORMATION - Continued**

**Gas Safety and Reliability Surcharge**

The Gas Safety and Reliability Surcharge("GSRS") would allow the Company to recover (i) a return on investment, depreciation expense and operations and maintenance expense associated with incremental replacement of leak prone pipe ("LPP") above the levels funded in base rates, and (ii) the cost to repair system leaks in excess to the Company's leak backlog targets.

The surcharge will be calculated by taking the revenue requirement for the incremental LPP and leak repair investment divided by firm sales and transportation volumes resulting in a per therm rate. The GSRS will be reconciled annually and included in the DRA recovered from SC 1, 2, 3, 15, 16, and 17 firm sales customers and SC 5 firm transportation customers beginning the following April 1<sup>st</sup>. The GSRS will appear on the Statement of Gas Safety and Reliability Surcharge.

**Non-Firm Demand Response Revenues Reconciliation Surcharge**

For the twelve months ending December 31, 2019, the Company will fully reconcile actual Non-Firm Demand Response Services revenues to \$2.244 million, which was imputed in the revenue requirement.

An adjustment will be made to the revenue targets above to remove forecast revenues for Non-Firm Demand Response customers that migrate to firm service. Any difference between actual and imputed revenues will be credited or surcharged to firm sales and firm transportation customers through the DRA for the 12-month period starting March 1.

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