

PSC NO: 1 GAS LEAF: 70.3
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
 INITIAL EFFECTIVE DATE: 03/01/16 SUPERSEDING REVISION:
 STAMPS:

GENERAL INFORMATION

b) The categories of Annual Fixed Cost Credits determined in C.4.a above will be allocated as follows:

1) Non-Core Swing Service and Daily Balancing Service Demand

Charge Credits will be credited to:

- a) Combined Firm Sales Class
- b) Combined High Load Factor Sales Class
- c) Combined Wholesale NGV Sales Class
- d) Combined Year Round Space Conditioning Class
- e) ESCOs participating in the KEDNY's Mandatory Capacity Program pursuant to SC 19 and the Company's Mandatory Capacity Program pursuant to SC 8

2) Off-system Revenue Credits will be credited to:

- a) Combined Firm Sales Class
- b) Combined High Load Factor Sales Class
- c) Combined Wholesale NGV Sales Class
- d) Combined Year Round Space Conditioning Class

4. Average Fixed Cost Credits (continued)

c) Average Fixed Cost Credits will be allocated among the customer groups proportionate to the Average Fixed Cost of Gas determined for that customer group.

5. Monthly Cost of Gas by Service Classification

The rates for gas service for the following Service Classifications shall include each month the Monthly Cost of Gas determined as follows:

- a) SC 1, 2, 3, 9, 15, 16 and 17 Sales Customers
 The Monthly Cost of Gas shall equal the sum of the: 1) Average Commodity Cost of Gas determined in Rule III.1.C.1; 2) Average Monthly Hedging Costs / Credits determined in Rule III.1.C.2; and 3) Average Fixed Cost of Gas determined in Rule III.1.C.3, Less; 4) Average Fixed Cost Credits determined in Rule III.1.C.4, multiplied by: 5) the Factor of Adjustment.

D. Refund Provision

In the event that the rates and charges of the Company's gas suppliers, pipeline transporters or storage providers are retroactively reduced and the Company receives a refund for excess charges paid, the total amount of the refund adjusted to include simple interest at the Commission's Other Customer Capital Rate will be returned to the Company's firm customers as follows:

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