

PSC NO: 1 GAS LEAF: 119.52.2  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0  
INITIAL EFFECTIVE DATE: 03/01/16 SUPERSEDING REVISION:  
STAMPS:

### GENERAL INFORMATION

#### 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.

#### New York Facilities System Surcharge

The New York Facilities System ("NYFS") is a high pressure gas transmission system that spans the service territories of KEDNY, KEDLI and Con Ed (collectively, the "NYFS Companies") and interconnects the NYFS Companies with the systems of the interstate pipeline companies that serve the NY metropolitan region. Gas received into the NYFS from the interstate pipelines is delivered directly, and/or by displacement, to the NYFS Companies.

NYFS surcharge will be included in the DRA and recovered from SC 1, 2, 3, 15, 16, and 17 firm sales customers and SC 5 firm transportation customers. The surcharge will be reset each January 1st based on an estimate of NYFS costs for the upcoming calendar year. Following the end of the calendar year, the Company would reconcile recoveries of the NYFS Surcharge to actual NYFS costs and recover any over or under collections from customers through an adjustment to the currently effective NYFS Surcharge. The NYFS will appear on the Statement of New York Facilities System Surcharge.

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