

PSC NO: 1 GAS LEAF: 70.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in C.16-G-0058 dated December 16, 2016

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 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 TC Sendout and 3) KEDNY's Annual Forecasted Firm and TC 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 TC 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.
 - 2) Combined High Load Factor Sales Class

Multiply the System Average Fixed Gas Cost determined above by the annual percentage allocation that will be determined each GAC year. The annual percentage allocation will be included on the Statement of Monthly Cost of Gas and Adjustments.

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