

PSC NO: 1 GAS LEAF: 73.2.1
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
 INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION:
 STAMPS: Issued in compliance with Order in C.16-G-0058 dated December 16, 2016

GENERAL INFORMATION

H. Annual Gas Supply-Related Cost Surcharge or Refund for Service
Classification Nos. 1, 2, 3, 9, 12, 15, 16 ,17 and Interruptible shall
 be computed as follows:

- | | |
|----------|--|
| Compare: | 1. Expense Targets Gas Supply-Related Costs |
| to | 2. Actual Gas Supply-Related Cost Recoveries |
| PLUS | 3. Net remaining prior year imbalance. |
1. Actual Gas Supply-Related Costs
 - a. Gas Procurement and Commodity-Related Sales Promotion Expenses prorated for the Gas Cost Year, PLUS
 - b. Commodity-Related Credit and Collection Expenses prorated for the Gas Cost Year,

Total Actual Supply-Related Costs = a + b
 2. Supply-Related Cost Recoveries = Recoveries from Supply Related Costs during the Gas Cost Year, net of associated revenue taxes.
 3. Gas Supply-Related Costs Imbalance Surcharge or Refund Recoveries =

Total revenues or refunds from the Gas Supply-Related Cost Imbalance Surcharge or Refund charges during Gas Cost Year, net of associated revenue taxes plus the prior year imbalance.

Current Year Imbalance = (1)-(2)+(3)

Divide result by the Company's estimated sales to Service Classification Nos. 1, 2, 3, 9, 12, 15, 16 ,17 and 4 for the twelve month period January 1 through December 31

The Company will reconcile the period from January 1, 2017 through August 31, 2017 to account for the time between the current reconciliation and the new Rate Year One reconciliation period

The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year before it is to become effective.

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