

PSC NO: 1 GAS LEAF: 70
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
INITIAL EFFECTIVE DATE: 09/01/14 SUPERSEDING REVISION: 6
STAMPS:

GENERAL INFORMATION - Continued

4. **Average Fixed Cost Credits**

- a) In advance of each Gas Cost Year, and updated during the year if appropriate, the Company will estimate Annual Fixed Cost Credits for the following categories:
- 1) TC Fixed Cost Credits:
Multiply annual forecasted SC 12 sales by 4.60 cents per therm
 - 2) Electric Generator Revenues:
Annual transportation revenues including Value Added Charges and Daily Balancing Service Demand Charges from electric generators taking transportation service under SC 7 and 14
 - 3) Non-Core Swing Service and Daily Balancing Service Demand Charge Credits:
Annual Swing Service Demand Charge Credits from ESCOs serving Monthly Balanced SC 7 and 13 transportation customers and Annual Daily Balancing Service Demand Charge Credits from ESCOs serving Daily Balanced SC 7 and 13 transportation customers.
 - 4) Off-system Revenue Credits:
Determined in accordance with Rule II.1.
- b) The categories of Annual Fixed Cost Credits determined in C.4.a above will be allocated as follows:
- 1) SC 1, 2, 3, 15, 16 and 17 Sales Customers:
Will receive: 1) TC Fixed Cost Credits, 2) Electric Generator Revenues, 3) Non-Core Swing Service and Daily Balancing Service Demand Charge Credits and 4) Off-System Revenue Credits proportionate to the Average Fixed Cost of Gas determined in accordance with Rule III.1.C.3.
 - 2) ESCOs Participating in the Company's Mandatory Capacity Program pursuant to SC 8:
Will receive: 1) TC Fixed Cost Credits, 2) Electric Generator Revenues, and 3) Non-Core Swing Service and Daily Balancing Service Demand Charge Credits proportionate to the SC 1, 2, 3, 15, 16 and 17 Average Fixed Cost of Gas determined in accordance with Rule III.1.C.3.
- c) Average Fixed Cost Credits will be computed for each of the following customer groups:
- 1) SC 1, 2, 3, 15, 16 and 17 Sales Customers:
Divide the Annual Fixed Cost Credits allocated to these sales customers by: 1) annual forecasted SC 1, 2, 3, 15, 16 and 17 sales and then divide by; 2) the Factor of Adjustment.
 - 2) ESCOs Participating in the Company's Mandatory Capacity Program pursuant to SC 8:
Divide the Annual Fixed Cost Credits allocated to the ESCOs by: 1) annual forecasted SC 5 transportation volumes and then divide by; 2) the Factor of Adjustment.

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