

PSC NO: 1 GAS LEAF: 69.1  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1  
INITIAL EFFECTIVE DATE: 09/01/14 SUPERSEDING REVISION: 0  
STAMPS:

**GENERAL INFORMATION**

- d. Merchant Function Charge  
Determined in accordance with Rule III.1.F.
  - e. Annual Merchant Function Charge Imbalance Surcharge or (Refund)  
The sum of the Annual Gas Supply-Related Cost Surcharge or Refund determined in accordance with Rule III.1.I and the Annual Return Requirement on Gas in Storage Surcharge or Refund determined in accordance with Rule III.1.J.
  - f. Total Adjustments  
The sum of A.6.a, through A.6.e above.
7. Monthly Cost of Gas and Adjustments  
The sum of A.5.b, and A.6.f above.
- B. Applications of the Statement of Monthly Cost of Gas and Adjustments
- 1. The application of the Statement of Monthly Cost of Gas and Adjustments will:
    - a) Begin with meter readings taken on and after the effective date of the current statement, and
    - b) Shall continue in effect until changed on a later statement.
- C. **The Monthly Cost of Gas**

Pursuant to the Commission's October 28, 2005 Order in Case 05-G-0903, gas is purchased on a combined basis for the Company and KEDNY (collectively, "the Companies"). The Monthly Cost of Gas will be determined based upon the Company's allocated share of commodity and fixed gas costs and computed as the sum of the: 1) Average Commodity Cost of Gas; 2) Average Monthly Hedging Costs / Credits and 3) Average Fixed Cost of Gas Less; 4) Average Fixed Cost Credits multiplied by; 5) the Factor of Adjustment.

**1. Average Commodity Cost of Gas**

In advance of each month the Company will determine the Average Commodity Cost of Gas applicable to sales customers served under SC 1, 2, 3, 12, 15, 16 and 17 based on the Monthly forecasted Firm and TC Dispatch:

- a) The Total Commodity Cost of Gas will be computed by:
  - 1) Multiplying the Suppliers' and Pipeline Transporters' Variable Charges by the quantities of gas supply projected to be purchased and delivered to the city gate under the Monthly Forecasted Firm and TC Dispatch, **PLUS**
  - 2) Multiplying the sum of: 1) the average unit commodity cost of gas in storage at the date of computation and 2) the Storage Providers' Variable Charges; by 3) the quantities of storage projected to be withdrawn and delivered to the city gate under the Monthly Forecasted Firm and TC Dispatch, **PLUS**
  - 3) All other allowable variable fees and charges associated with the dispatch of gas.

Issued by: William J. Akley, President, Hicksville, NY