

PSC NO: 1 GAS LEAF: 70
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 9
INITIAL EFFECTIVE DATE: 04/01/15 SUPERSEDING REVISION: 8
STAMPS: Issued in compliance with Order in Case 14-G-0214 dated 12/15/14

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. In accordance with the Public Service Commission's "Order Directing Investments and Allowing, In Part, Deferral Authority for Costs Associated with Incremental Capital Expenditures and Establishing a Surcharge" (Issued and Effective December 15, 2014) in Case 14-G-0214, the credit for these revenues will be capped at \$25.8 million per year effective April 1, 2015.
 - 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 up to the \$25.8 million per year cap, 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 up to the \$25.8 million per year cap, and 3) Non-Core Swing Service and Daily Balancing Service Demand Charge Credits proportionate to the Average Fixed Cost of Gas determined in accordance with Rule III.1.C.3.

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