PSC NO: 1 GAS STATEMENT TYPE: IRS COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. STATEMENT NO: 69 INITIAL EFFECTIVE DATE: 09/01/04

STATEMENT OF RATES AND CHARGES FOR INTERRUPTIBLE SERVICE

Applicable to Billings as explained on Leaf Nos. 74, 75, 128 - 132, and 150 of the Schedule for Gas Service

Applicable to Service Classification No 4: (formerly No. 3) Interruptible Sales Rate:

| 1. | Maximum Price: Tail Block for S.C. No. 3 plus current Gas Cost Adjustment (\$.172 + \$.678) (\$ per therm) | 0.850 |
|--|--|--|
| 2. | **Effective Rate (\$ per therm): Category A Category B Category C Category D Category DSRS | 0.850 0.850 0.850 0.850 0.850 0.840 |
| 3. | Minimum Price: The Average cost of gas purchased for Interruptible service defined in Rule 111.1D plus (\$.570 + \$.010) (\$ per therm) | 0.580 |
| Applicable to Service Classification No 7: Interruptible Transportation Rate: | | |

| 1. | Applicable to customers whose character of service meets the criteria of S.C. No. 4. (\$ per therm) | Variable |
|----|---|----------|
| | Category A | 0.172 |
| | Category B | 0.172 |
| | Category C | 0.172 |
| | Category D | 0.172 |
| | Category DSRS | 0.172 |

Note: Customer categories are defined as:

| Category A - | Customers exempt from the Petroleum Business Tax (PBT) with annual thermal energy |
|--------------|---|
| 0 | requirements less than 100,000 dth |

- Category B Customers exempt from the PBT with annual thermal energy requirements equal to or greater than 100,000 dth
- Category C Čustomers non-exempt from the PBT with annual thermal energy requirements less than 55,000 dth
- Category D Customers non-exempt from the PBT with annual thermal energy requirements equal to or greater than 55,000 dth
- Category DSRS Customers whose geographic location on the Companys distribution system prevents the Company from providing a higher level of service.

Issued by Joseph F. Bodanza, Senior Vice President and Chief Accounting Officer, Hicksville, NY