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COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF STATEMENT NO: 38

INITIAL EFFECTIVE DATE: 06/01/02

STAMPS:

Cancelled by Statement IRS Number 39 Effective 07/01/2002

RECEIVED: 05/30/02 STATUS: Cancelled EFFECTIVE: 06/01/02

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 + \$.590) (\$ per therm) 0.762

2. **Effective Rate (\$ per therm):

Category A 0.470
Category B 0.460
Category C 0.470
Category D 0.465
Category DSRS 0.450

3. Minimum Price:

The Average cost of gas purchased for Interruptible service defined in Rule 111.1D plus (\$.368 + \$.010) (\$ per therm)

0.378

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	,	0.102
	Category B		0.092
	Category C		0.102
	Category D		0.097
	Category DSRS		0.082

Note: Customer categories are defined as:

Category A - Customers exempt from the Petroleum Business Tax (PBT) with annual thermal energy

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 - Customers 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 Company's distribution system prevents

the Company from providing a higher level of service.

Issued by Robert D. Ekholm, Manager, Corporate Secretary's Office, Hicksville, New York