

PSC NO: 1 GAS LEAF: 154.2
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 10
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION: 9
STAMPS: Issued in compliance with Orders in Case 06-G-1186 dated 01/19/10 and 10/18/11

SERVICE CLASSIFICATION No. 7
Interruptible Transportation Service (Continued)
(Rate Codes: 710, 710A, 711, 720, 721)

Special Provisions (continued):

During each winter season (i.e. October through March), a Customer that does not interrupt gas service when required to do so, except for the permitted two therms per hour, for any two occurrences (consecutive or non-consecutive), will be notified that they have violated the service requirements of the interruptible tariff. For sales Customers, effective with the next billing period following the second notice of violation, and for transportation Customers, effective as soon as practicable, such Customers will be transferred to the equivalent firm service classification unless (i) the Company has been notified in writing that the Customer has chosen to terminate gas service or (ii) the Customer has been notified that the Company has determined in its sole discretion that it can not provide firm service to the Customer, and service will be terminated in thirty (30) days. Customers transferred from interruptible to firm service are required to remain on firm service for the remainder of that winter season through the end of the next winter season. After that time, a Customer becomes eligible to re-apply for interruptible service.

A "warning letter" will be sent to Customers after their first violation of the winter season. Failure to comply during a system-wide test is considered a violation.

There is an amnesty clause available to Customers that experience an equipment failure. Should a Customer's equipment fail to switch, it must notify the Company within one hour of the failure, and provide proof within two days that the equipment has been repaired and is operable. If a Customer can demonstrate that it was unable to obtain and install the necessary equipment within two days, the Customer shall have five more days to remedy the situation. The Customer shall also provide proof that it has installed the necessary equipment. If a Customer meets this criteria, amnesty for the violation will apply. If the Customer cannot obtain and/or install the necessary equipment within seven days, the equipment failure will be considered a violation. However, there will be only one grant of amnesty of a violation allowed per winter season. Such grant of amnesty does not exempt the Customer from having to pay any applicable charges, including Additional Charges or non-compliance charges.

- (M) New service agreements with power generators under this service classification must include the appropriate fees and charges of balancing and swing services. Existing service agreements with power generators under this service classification must also include these fees and charges when the agreement is renewed or reaches its evergreen anniversary.
- (N) **Telemetering:** If there is a Company failure of telemetering equipment, the Company will waive the penalty imbalance charge for the period. If there is a Customer failure of telecommunications associated with the telemetering equipment, the Marketer will incur the normal imbalance charges. If there is an inactive telephone line, the customer will have eight (8) weeks to remedy. In the event of any equipment malfunctions, the previous day's actual read will be deemed to be the daily actual read until the situation is corrected. If the malfunction is due to customer reasons and is not remedied after eight (8) weeks, the Customer will be returned to the applicable sales service for a minimum of twelve (12) months. The Company shall not be liable for any inaccuracies in the consumption reported if they resulted from malfunctioning telemetering equipment, telephone line problems, customer failure to maintain customer equipment or any other reason outside the control of the Company.

Issued by: David B. Doxsee, Chief Financial Officer and Treasurer, Hicksville, NY