

PSC NO: 1 GAS LEAF: 154.5
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION:
STAMPS:

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

Special Provisions (continued):

Unauthorized Use Charge:

Gas consumed in excess of two therms per hour during periods that the Customer did not interrupt gas service during a Company initiated interruption without the express written authorization of the Company will be subject to an additional charge of either (i) two times the sum of the Market Price for natural gas delivered to the Company's city gate on the day of violation plus the transportation rate the Customer would be subject to if it were a transportation customer, or (ii) nine times the applicable sales rate, whichever is higher. All charges are subject to all utility taxes and surcharges. *Market Price* is defined as the highest city gate delivered price of natural gas at Transco Zone 6 NY, Texas Eastern M3 or Iroquois Zone 2 on the days of interruption, as quoted by Platts' "Gas Daily" report. Where a condition is experienced by the Customer that prevents the required transfer from gas, the Customer agrees to immediately notify the Company and to take immediate action to correct such condition, and to notify the Company when such condition has been corrected.

In the event of consumption of gas during such periods the Company will have the right to estimate the amount of such consumption for the purpose of imposing the additional charge. Such estimate may be based upon the average daily consumption during periods of authorized consumption or upon any other reasonable method, including but not limited to the use of telemetering equipment.

Equipment Failure and/or Inadequate Fuel on Hand:

Whenever the Company becomes aware that the Customer's equipment is incapable of switching to an alternate fuel and/or that the Customer does not have a reasonable amount of fuel on hand considering the time in the heating season, the Company will notify the Customer within forty-eight (48) hours that the violation must be corrected within ten (10) calendar days. It will be the responsibility of the Customer to contact the Company and provide proof that the violation has been corrected. However, this will not apply if the Customer has previously stipulated in writing that the Customer is willing and able to shut down during periods of interruption.

Non-Compliance Charges:

Customers that receive notice from the Company regarding inadequate standby fuel and/or equipment failure that fail to supply the Company with such proof will be subject to the higher of the variable rate equal to the greater of 130% of the No. 2 oil gas equivalent price (as published in the Journal of Commerce) or 130% of their otherwise applicable variable sales rate ("non-compliance charge"). Such non-compliance charge, which will be subject to all applicable utility taxes and surcharges, will be in lieu of the otherwise applicable variable rate and will be effective for the billing period during which non-compliance becomes known, and for any subsequent periods until the Customer provides the Company with satisfactory proof that the violation has been corrected. Customers subject to this higher variable rate continue to be subject to all terms and conditions of this Service Classification. If a non-compliance charge is assessed in the same period that an Unauthorized Use Charge is assessed, the Customer's bill will not include consumption charged under the "Unauthorized Use Charge."

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