

PSC NO: 1 GAS LEAF: 74
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 01/01/08 SUPERSEDING REVISION: 3
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 12/21/07

GENERAL INFORMATION

III. Adjustments of Rates and Charges (continued):

K. Transition Surcharge

Any stranded capacity costs resulting from firm sales customers converting to firm transportation service on and after April 1, 1999 and not taking an assignment of the Company's capacity, will be collected from firm sales and firm transportation customers as a separate surcharge assessed through the gas adjustment and the transportation adjustment, respectively.

Each new dekatherm (dt) of capacity brought to the citygate by a marketer after April 1, 1999 is assumed for purposes of the following formula to generate stranded cost.

Issued by: Nick Stavropoulos, Executive Vice President, Hicksville, NY