

PSC NO: 1 GAS LEAF: 16
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 05/06/08 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 12/21/07

GENERAL INFORMATION

II. Rules and Regulations (continued):

1--Definition of Terms (continued):

P (continued)

Public Highway: The territorial limits of any street, avenue, road, or way that is for any highway purpose under the jurisdiction of the legislative body of any city, town, village, county or the State of New York.

Public Right-of-Way: The area within a Public Highway which may be used for the placement of access of Company facilities.

R

Receipt Point (for customer-owned gas): The Company's City Gate(s) or the points of delivery between the interstate pipelines providing service to the New York Metropolitan area and the New York Facilities System, which point is used by "Brooklyn Union" and others.

Return on Gas in Storage: The Return Requirement Percentage multiplied by the 13-month average storage inventory balance.

Return on Working Capital: The Return Requirement Percentage multiplied by (1) the Lead-Lag Percentage and (2) total gas costs.

Return Requirement Percentage: the weighted average cost of capital, or the Company's expected rate of return on investment. This rate is currently 11.52%.

Rules and Regulations: Provisions contained herein and such other requirements governing the Applicant's or Customer's (or their agents) installation as contained in "Rules and Regulations for Gas Installations", a booklet issued by the Company.

S

Seasonal Customer: A customer who applies for and receives gas service periodically each year, intermittently during the year, or at other irregular intervals.

Seasonal Delivery Service: A service whereby the Company permits a firm transportation customer to deliver a portion of the estimated usage between November 1 and March 31 during the period April 1 through October 31, under Service Classification No. 5.

Seller: Pursuant to Service Classification No. 5, a Seller is either an eligible Customer that chooses to purchase natural gas on the customer's own behalf or a supplier of natural gas on behalf of a firm transportation customer.

Seller Agreement: An agreement executed by a qualified seller pursuant to Service Classification No. 8.

Service Agreement: An agreement executed pursuant to Service Classification No. 5 by an eligible Customer that chooses to purchase natural gas from a qualified seller.

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