

PSC NO: 1 GAS LEAF: 186
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
INITIAL EFFECTIVE DATE: 04/01/06 SUPERSEDING REVISION: 2
STAMPS: Issued in compliance with Order in C. 03-G-1395 dated November 23, 2005

SERVICE CLASSIFICATION NO. 14 (Continued)

Market Electric Price – The average of the Real Time Electric Market Locational Based Marginal Pricing (LBMP) for the applicable hour and zone as reported on the NYISO website expressed in \$/Mwh.

Maximum Annual Quantity (MAQ) - The Customer's Maximum Daily Delivery Quantity times 335.

Maximum Daily Delivery Quantity (MDDQ) - The maximum quantity of gas that the Customer may nominate and deliver for his account on any day.

Monthly Average Commodity Cost of Gas - The Company's weighted average commodity cost per therm of gas delivered to the Company's city gate facilities by the Company's suppliers for the month. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

Monthly Total Value Added Charge: The Monthly Total Value Added Charge is calculated as follows: The Base Year Spark Spread is subtracted from the Spark Spread for each hour of the Test Year. Five percent (5%) of this difference is divided by the Customer's Heat Rate and multiplied by the number of dekatherms delivered to the Customer during the same Test Year hour. The resulting products are summed for each month of the Test Year. If such monthly value is less than or equal to zero, the Monthly Total Value Added Charge for that month will be zero. If such monthly value is greater than zero, such monthly value is the Monthly Total Value Added Charge for that month.

NYISO - The New York Independent System Operator.

Reconciliation Charge: The Reconciliation Charge is an adjustment that will be made prospectively for any Value Added Charge over/under collected. This charge is the difference between the sum of the Value Added Charges billed to the Customer in the Calendar Year and the Customer's Actual Value Added Charge in the Calendar Year

Spark Spread – The difference between the Market Electric Price and the Fuel Cost of Generation expressed in \$/Mwh.

Test Year - For the Effective Period beginning January 1, 2006, the Test Year is December 1, 2004 through November 31, 2005. Thereafter, the Test Year will be the Calendar Year.

Transporter - A pipeline transporting gas to the Company for redelivery for Customer's account.

Issued by Joseph F. Bodanza, Senior Vice President, Hicksville, NY