

PSC NO: 1 GAS LEAF: 185
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 01/01/06 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Order in C. 03-G-1395 dated November 23, 2005

SERVICE CLASSIFICATION NO. 14 (Continued)

Daily Commodity Cost of Gas - The Company's daily commodity cost per therm of gas delivered to the city gate from the Company's suppliers on such day. 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.

Daily Delivery Quantity - The total quantity of gas delivered to Customer after adjustment for lost and unaccounted for gas.

Daily ICOG - The daily incremental cost of gas, including demand charges. 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 of the following month.

Daily Market Gas Cost - The average per dth market cost of gas reported in Gas Daily as the Transco Zone 6 (NY) midpoint and high price for the day of flow.

Daily Nomination Quantity - The total quantity of gas Customer nominates and schedules for delivery or causes to be nominated and scheduled for delivery daily to the Company's city gate for transportation service anticipated under SC-14. The Daily Nomination Quantity, after adjustment for lost and unaccounted for gas, shall be equal to the Customer's expected Daily Delivery Quantity.

Effective Period - The Effective Period for the initial Value Added Charge is January 1, 2006 through April 30, 2007. Beginning 2007, the Effective Period is May 1st of each year through April 30th of the following year.

Fuel Cost of Generation - The applicable Daily Market Gas Cost multiplied by the Customer's Heat Rate Tier Level expressed in \$/Mwh.

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