

PSC NO: 1 GAS LEAF: 138
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 11/01/03 SUPERSEDING REVISION: 4
STAMPS: Issued in compliance with order in Case 02-M-0515 dated April 24, 2003

SERVICE CLASSIFICATION NO. 5
Firm Transportation Service (continued)
(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257, 267, 277, XXX)

Design Delivery Service:

Company shall provide balancing service for Customer up to an aggregate total quantity equal to Customer's Redelivery Capacity Quantity (RCQ). The RCQ is the maximum quantity of gas that the Company shall be required to receive for Customer's account for later redelivery to Customer and such quantity shall be subject to the limitations, restrictions and other provisions contained herein.

The Customer's RCQ shall be determined by the Company and shall be set forth on Customer profile. During the Delivery Period, beginning on May 1st and ending October 31st of a calendar year, the Customer shall be directed by the Company to deliver gas to Company for Customer's account. The Company may issue an Operational Flow Order (OFO) directing the delivery of such gas to either a specific upstream storage field or directly to the Company. Company shall endeavor to monitor Customer's Daily Delivery Quantities, Daily Redelivery Quantities and Redelivery Balance; however, Customer shall at all times remain responsible for compliance with all restrictions and limitations provided for in this tariff.

After the end of a Redelivery Period, beginning on November 1st of a calendar year and ending April 30th of the next calendar year, the Company will reconcile the total of the DDQ and Daily Redelivery Quantities (DRQ) for Customer during the twelve month period ending at the end of such Redelivery Period. DRQ is the quantity of gas transported and delivered by Company to Customer hereunder on any day which is in excess of the quantity of gas delivered by Customer to Company (or for Company's account) hereunder on such day, adjusted for fuel allowances. If the total Daily Redelivery Quantities exceeds the total Daily Delivery Quantities, the Customer did not deliver enough gas to meet his annual demand for the period and the Customer shall be billed by multiplying such excess per therm by the Company's Actual Monthly ICOG for the period in which such Redelivery Period ends, as set forth on the Statement of Unbundled Transportation Service Cash Out Charges on file with the Commission. If the total of the Daily Delivery Quantities for such period exceeds the total of the Daily Redelivery Quantities, such excess shall be cashed out or added to the Customer's Redelivery Balance for the beginning of the next twelve month period. The Redelivery Balance, at any time, shall be equal to the sum of all Daily Delivery Quantities during any time period, minus the sum of all Daily Redelivery Quantities during such time period, plus Customer's Redelivery Balance (if any) at the start of such time period.

In the event the Company determines, in its sole discretion, during the twelve months preceding the period that colder than normal winter conditions will not occur, the Seller shall have the option of reducing its year-end inventory to zero for such period. Notwithstanding this option, any year-end imbalance shall be treated in the manner set forth in this section.

The following rates and charges are applicable to all Customers and/or Sellers:

Monthly and Daily Transportation Quantities:

At the beginning of the applicable twelve-month period, the Company will determine each customer's Monthly Delivered Quantity (MDQ) and Daily Delivered Quantity (DDQ) for each month of the upcoming year.

Issued by Alfred C. Bereche, Asst. General Counsel and Secretary, Hicksville, NY