

PSC NO: 1 GAS LEAF: 79.2  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2  
INITIAL EFFECTIVE DATE: 09/30/04 SUPERSEDING REVISION: 1  
STAMPS:

#### GENERAL INFORMATION

### III. Adjustments of Rates and Charges (continued):

#### 6- RIDER -BUSINESS INCENTIVE RATE (continued):

##### Terms:

Applications for service under this Rider will be accepted through September 30, 2007 and will become effective on the first day of the next billing cycle following acceptance by the Company and will continue up to a maximum of ten years.

An applicant may continue to receive the benefits of this Rider for ten years from the first billing period, provided that at the end of the seventh year the benefits will be reduced annually by twenty-five percent. Following the seventh year, reductions will be implemented at the beginning of each twelve-month period through the end of the benefits period when no further benefits will be available.

The Company reserves the right to deny approval of an application or discontinue benefits under this Rider if customer makes a false statement or misrepresentation in its application or for the nonpayment of bills rendered for services to the point where the Company initiates collection action.

##### Rate

For customers served under Service Classification No. 2 (Commercial Firm), Subclassification Nos. 2A (Non-heating) and 2B (Heating) and Service Classification No. 5 (Firm Transportation Service), Subclassification Nos. 2A (Non-heating) and 2B (Heating), the applicable monthly rates for gas service in excess of 250 therms per month shall be reduced by an amount equal to 35% of the local distribution rates which excludes the base cost of gas. Monthly consumption less than or equal to 250 therms shall be billed at the applicable Service Classification rates and charges.

#### Adequacy and Future Adjustments of Designated Areas

The Company will not grant service under this Rider where the area in which service is sought can no longer support additional gas service without impairing the adequacy of service to existing customers. In such event the applicant may still obtain service provided that a contribution payment for capital costs incurred to make the attachment is submitted prior to the commencement of gas service by the applicant for such gas service. At the discretion of the Company, the Business Incentive Rate locations may be supplemented, modified or withdrawn from availability for further applicants.

Issued by: Joseph F. Bodanza, Senior Vice President and Chief Accounting Officer, Hicksville, NY