

PSC NO: 1 GAS LEAF: 136
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
INITIAL EFFECTIVE DATE: 10/03/04 SUPERSEDING REVISION: 6
STAMPS:

SERVICE CLASSIFICATION NO. 5
Firm Transportation Service (continued)
(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257, 267, 277, 347, 357, 367)

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.

A Customer's MDQ will be based on that Customer's weather-normalized historical consumption. The Company may adjust a Customer's MDQ as necessary during the year to reflect changes in a customer's gas equipment or pattern of consumption. If inadequate historical consumption data exists, the Company may estimate a Customer's MDQ based on, among other things, the rating of a Customer's gas equipment and the expected utilization of such equipment.

A Customer's DDQ will be calculated by dividing a customer's MDQ by the total number of days for each calendar month.

Each month, the Company will calculate a customer's Daily Transportation Quantity (DTQ). The DTQ is calculated to reflect the customer's usage by multiplying the adjusted DDQ by 1.03412 as an allowance for losses incurred in the process of delivery between the City Gate and the customer's metered facilities.

By the first business day following the 21st of each month, the Company shall provide to the Seller notice of each Customer's DDQ and, in the case of a Seller that supplies gas to more than one Customer, the Customers' Aggregated Daily Delivery Quantity (ADDQ) for the succeeding calendar month.

Receipt and Delivery of Gas:

The Seller must deliver or cause to be delivered at the City Gate the applicable Customer's DDQ or Customers' ADDQ for each day of the month. The Company will deliver to each Customer the Customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent such requirements differ from each Customer's DDQ.

By the last business day of each month, the Seller shall provide to the Company notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for each day of the succeeding month. The scheduled nomination for each Customer must equal the Customer's DDQ. The scheduled nomination for Seller with more than one Customer must equal the Customers' ADDQ.

The Company is not obligated to accept any volumes that have been nominated by the Seller to the extent that such volumes exceed a Seller's Customer's DDQ or the Seller's Customers' ADDQ.

Gas Delivery Nomination Procedures

The Gas Delivery Nomination Procedures for all transportation customers are described in the Company's Gas Transportation Operating Procedures Manual, Section IV and Section V, as filed with the Public Service Commission.

Communications Protocols

The Communications Protocols for all transportation customers are described in the Company's Gas Transportation Operating Procedures Manual, Section VII, as filed with the Public Service Commission.

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