

PSC NO: 1 GAS LEAF: 216
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 04/08/04 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in Case 02-M-0515 dated 12/03/03

SERVICE CLASSIFICATION No. 17 (continued)
(Rate Codes: 340, 350, 360)

Minimum Charge:

For Customers taking service under Rate 1, \$154.00 per meter, per month, exclusive of Gas and Pipeline Costs and Adjustments and increase in rates and charges.

For Customers taking service under Rate 2, \$279.41 per meter, per month, exclusive of Gas and Pipeline Costs and Adjustments and increase in rates and charges.

For Customers taking service under Rate 3, \$807.14 per meter, per month, exclusive of Gas and Pipeline Costs and Adjustments and increase in rates and charges.

Monthly Demand Charge:

For Customers taking service under Rate 3, there will be a monthly demand charge of \$5,311.81 per MW, in addition to all other charges.

Heating Value Adjustment:

The volume of gas registered by the Customer's meter, in 100 Cu. Ft., will be converted to therms as explained in Rule II.3G.

Increase in Rates and Charges:

The Rates and Charges under this Service Classification, including Gas and Pipeline Costs and Adjustments and Minimum Charges, are increased by the applicable percentage as explained in Section III.2. for service supplied within the municipality where the Customer is taking service.

Terms of Payment:

Net cash, subject to late payment charge in accordance with provisions of Rule II.3E.2.

Term:

Terminable by Customer on two days' written notice to the Company and by the Company in the manner provided by law and the rules and regulations of the Company.

Special Provisions:

- (a) For purposes of this Schedule for Gas Service, distributed generation and cogeneration means the on-site production of electricity and/or mechanical energy. For use either by (1) the customer or (2) a third party who is operating the equipment to generate electricity for use solely by the customer. Customer may not use the output of the unit to any other customers.
- (b) In no event shall the Company be obligated to incur any additional costs for additional facilities necessary to provide transportation service hereunder. Nonetheless, in the event the Company elects to incur such costs, the costs of any additional facilities, including but not limited to any necessary telemetering equipment, that in the Company's sole judgment are required or must be incurred by the Company to provide transportation service, shall be the sole responsibility of the Customer, and shall be payable in full prior to the initiation of service hereunder. The Company may require Customer to provide security such as a letter of credit or other security in such form and amount that is acceptable to the Company in its sole discretion, prior to incurring any additional facilities costs.

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