

..DID: 17795
..TXT: PSC NO: 1 GAS LEAF: 170
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 12/01/01 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in Case 01-G-1178 dated 09/28/01
RECEIVED: 11/30/01 STATUS: Effective EFFECTIVE: 12/01/01

Service Classification No. 12
Temperature-Controlled Service - Non-Residential (continued)
(Rate Codes: 330, 331, 332)

Rate 1 and Rate 2 (per meter, per month)(continued):

Determination of Rate 1 and 2:

1. The Company will, at its sole discretion, set the rate per therm above three therms at a level which is no less than the Company's average cost of gas plus a capacity cost of \$0.01/therm. The rate will not be higher than the greater of the appropriate tail-block rate of Service Classification No. 2 including the average monthly cost of gas.
2. A separate rate will be determined for customers who demonstrate to the Company's satisfaction, that they are exempt from paying the New York State Petroleum Business Tax (PBT) for fuel oil use.
3. The Company will determine the gas-equivalent prices for No. 2 oil, from the Journal of Commerce on the date of the computation of the rate, by:
 - a. multiplying the average of the New York Harbor Barge Consumer Price per gallon of No. 2 oil by a per therm of .72, and then
 - 1) adding any petroleum related taxes applicable to commercial and industrial use.
4. The monthly rate per therm for Rate 1 and 2 will not be lower than the monthly rate per therm for Rate 3, below.

Rate 3 (per meter, per month):

1. Available to any non-residential customer, including multi-dwelling, whose gas-fueled equipment is capable of using at least 100,000 Dth annually. The customer needs to demonstrate to the Company's satisfaction that it:

Issued by: Robert D. Ekholm, Manager, Corporate Secretary's Office, Hicksville, NY